

**COUNCIL OF THE COUNTY OF MAUI**

# **HOUSING AND LAND USE COMMITTEE**

September 8, 2025

**Committee**  
**Report No.** \_\_\_\_\_

Honorable Chair and Members  
of the County Council  
County of Maui  
Wailuku, Maui, Hawaii

Chair and Members:

Your Housing and Land Use Committee, having met on August 5, 2025, and reconvened on August 6, 2025, and August 20, 2025, makes reference to the following:

1. Correspondence dated July 30, 2025, from the Committee Chair, transmitting a copy of HKI Kahului Kaiahale LLC's application for the development of the proposed Kaiahale 'o Kahiluhilu Affordable Housing Rental Project ("Project") located at 153 West Kaahumanu Avenue, Kahului, Maui, Hawai'i, under Section 201H-38, Hawai'i Revised Statutes, and other related documents.
2. Resolution 25-160, entitled "APPROVING THE KAIAHALE 'O KAHILUHILU AFFORDABLE HOUSING RENTAL PROJECT UNDER SECTION 201H-38, HAWAI'I REVISED STATUTES." Resolution 25-160's purpose is to approve the proposed Project with various exemptions from certain requirements in the Maui County Code relating to planning, zoning, construction standards for subdivisions, development and improvement of land, and the construction of dwelling units on the land.
3. Resolution 25-161, entitled "APPROVING WITH MODIFICATION THE KAIAHALE 'O KAHILUHILU AFFORDABLE HOUSING RENTAL PROJECT UNDER SECTION 201H-38, HAWAI'I REVISED STATUTES." Resolution 25-161's purpose is to approve the proposed Project with the modifications in Exhibit "A" and with various exemptions from certain requirements in the Maui County Code relating to planning, zoning, construction standards for

**COUNCIL OF THE COUNTY OF MAUI**

# **HOUSING AND LAND USE COMMITTEE**

Page 2

**Committee**  
**Report No.** \_\_\_\_\_

subdivisions, development and improvement of land, and the construction of dwelling units on the land.

4. Resolution 25-162, entitled “DISAPPROVING THE KAIAHALE ‘O KAHILUHILU AFFORDABLE HOUSING RENTAL PROJECT UNDER SECTION 201H-38, HAWAII REVISED STATUTES.” Resolution 25-162’s purpose is to disapprove the proposed Project.

Your Committee notes under HRS Section 201H-38, the Council must approve, approve with modification, or disapprove the proposed Project within 45 days after the preliminary plans and specifications have been submitted to the Council. Submittal occurred on July 28, 2025. The Council has until September 11, 2025, to act on the 201H application or the project will be deemed approved.

Your Committee also notes that this is the first project under HRS Section 201H-38 to be considered since Act 294, Session Laws of Hawai‘i 2025, took effect on July 3, 2025. Under the Act, the Council cannot “impose stricter conditions, impose stricter median income requirements, or reduce fee waivers that will increase the cost of the project beyond those approved by the corporation.”

The proposed Project consists of two six-story buildings with 301 affordable housing rental units and two non-revenue-generating resident-manager units. The units would be rented to qualified households, as follows:

- 17 units rented to qualified households earning up to 30 percent of the Area Median Income.
- 83 units rented to qualified households earning up to 50 percent of AMI.
- 201 units rented to qualified households earning up to 60 percent of AMI.

**COUNCIL OF THE COUNTY OF MAUI**

# **HOUSING AND LAND USE COMMITTEE**

Page 3

**Committee**  
**Report No.** \_\_\_\_\_

The project site is on a 3.403-acre portion of a State-owned parcel at 153 West Kaahumanu Avenue, Kahului, Hawai‘i, identified for Real Property Tax purposes as Tax Map Key (2) 3-7-004:003. The Project developer is HKI Kahului Kaiahale LLC, an affiliate of EAH Housing.

Your Committee notes the land use designations for the Project property are as follows:

- State Land Use District: Urban District
- Maui Island Plan: Urban Growth Boundary/Outside Protected Areas
- Wailuku-Kahului Community Plan: Business/Commercial
- County Zoning: B-2 Community Business District
- Other: Within the Special Management Area

Your Committee further notes the Project is the residential affordable housing component of the proposed Kahului Civic Center Mixed-Use Complex, which would also include a civic center and a transit hub. The State of Hawai‘i Department of Accounting and General Services will oversee the development of the civic center component separately on an adjacent portion of the property. The transit hub is complete.

A representative of HKI Kahului Kaiahale LLC said the Project would provide 298 vehicle parking stalls, which is about half the number required by the Maui County Code. As justification for the reduced parking, the representative said the Project is designed for greater walkability and biking, providing 196 long-term and 22 short-term bicycle parking spaces.

The Project would be Leadership in Energy and Environmental Design-certified, and its amenities would include a lobby, a multipurpose

**COUNCIL OF THE COUNTY OF MAUI**

# **HOUSING AND LAND USE COMMITTEE**

Page 4

**Committee**  
**Report No.** \_\_\_\_\_

room, a work and study area, laundry facilities, a mailroom, a fitness center, management offices, social services, a recreation deck, a keiki play area, and a dog park.

Your Committee solicited comments on the Project from representatives of various County agencies. Most representatives expressed general support for the Project; however, several representatives raised concerns regarding the proposed exemptions.

The Director of Finance expressed concern relating to the exemption from Real Property Taxes. She noted that because the property is State-owned, it is already exempt from RPT. If the project is later leased or sold to a nonprofit or for-profit entity, that entity could still apply for a relevant exemption already established in the Code. Your Committee agreed to a recommendation from the Director to remove the language exempting the developer from submitting an application for the RPT exemption.

Your Committee notes the Department of Water Supply previously commented to the developer that the Central Maui water system did not have enough capacity to serve the Project. The Deputy Director of Water Supply said the Department has since recalculated water availability and confirmed there is enough water for the Project; however, the Director of Water Supply requested the Project's water system development fee be paid. Your Committee noted the fee could be paid with County funds so your Committee recommended exempting the developer from paying the fee, but not from the fee itself.

The Director of Public Works opposed the exemption to allow the separation to be less than 45 feet for the Project's Vevau Street fire access driveway because of traffic risk. To address the Director's concern, your Committee supported conditioning the exemption on the Applicant preparing a traffic evaluation for all driveways not meeting the minimum separation distance and the Director approving the driveway spacing proposed as adequate to protect public health and safety.

**COUNCIL OF THE COUNTY OF MAUI**

# **HOUSING AND LAND USE COMMITTEE**

Page 5

**Committee**  
**Report No.** \_\_\_\_\_

The Director of Public Works also objected to the exemptions from constructing sidewalks, curbs, and gutters; Complete Streets-related pedestrian and bicycle improvements; and placing utilities underground. Your Committee shared the Director's concern, noting the Project's focus on walkability and the safety benefits of undergrounding utilities.

Your Committee discussed the County paying for the various infrastructure improvements, but a representative of HKI Kahului Kaiahale LLC rejected the idea because the time to implement the improvements would negatively impact the Project. In addition, your Committee notes Section 16.25.201, Maui County Code, provides an exemption from sidewalks, curbs, gutters, placement of utilities underground, and other improvements for projects receiving County funds; therefore, the Project, which is receiving \$10 million in Affordable Housing Fund grant funding, would already be exempt from these improvements.

While the developer would not commit to all the discussed improvements, the representative confirmed HKI Kahului Kaiahale LLC will install sidewalks, curbs, and gutters from the Project's Kane Street driveway to Vevau Street, consistent with existing improvements. Your Committee recommended memorializing the improvements the developer would construct in the exemptions.

Your Committee supported removing the exemption from the standard permitting process because, under Code Section 2.96.160, the Project will be eligible for fast track permitting once the developer executes a residential workforce housing agreement with the County.

Your Committee recommended other adjustments to the exemptions, including the following:

- Removing the exemption from acquiring a disposal permit, as requested by the Director of Environmental Management.
- Adding an exemption from electric vehicle infrastructure requirements.

**COUNCIL OF THE COUNTY OF MAUI**  
**HOUSING AND LAND USE COMMITTEE**

Page 6

**Committee**  
**Report No. \_\_\_\_\_**

- Allowing an exemption from consistency with the adopted landscape planting plan relating to street trees, if trees are planted onsite along the Project's Kane Street and Kaahumanu Avenue roadway frontages, as generally depicted on the Project's Residential Phase Landscape Plan, subject to reasonable substitutions in species.

To encourage the Project to be completed in a timely manner, your Committee recommended a modification to the Project to require both phases to start construction by December 31, 2028, and to finish construction by December 31, 2030. While the developer plans to start and finish construction well before the respective deadlines, the deadlines may be extended by resolution.

Your Committee also supported amendments to recognize the Project as a 100 percent affordable rental housing project with two onsite non-revenue-generating resident-manager units that are a part of the Project's common area elements.

Your Committee notes the Project supports various goals, objectives, and policies of the Countywide Policy Plan, including the following:

- "Redevelop commercial areas with a mixture of affordable residential and business uses, where appropriate." (Page 57)
- "Promote infill housing in urban areas at scales that capitalize on existing infrastructure, lower development costs, and are consistent with existing or desired patterns of development." (Page 58)
- "Develop workforce housing in proximity to job centers and transit facilities." (Page 58)
- "Reduce the reliance on the automobile and fossil fuels by encouraging walking, bicycling, and other energy-efficient and safe alternative modes of transportation." (Page 67)

**COUNCIL OF THE COUNTY OF MAUI**  
**HOUSING AND LAND USE COMMITTEE**

Page 7

**Committee**  
**Report No. \_\_\_\_\_**

Because your Committee supported the Project with modifications and revisions to the exemptions, your Committee recommended the Council adopt Resolution 25-161, CD1, and file Resolution 25-160 and Resolution 25-162.

Your Committee voted 9-0 to recommend adoption of Resolution 25-161, CD1. Committee Chair Kama, Vice-Chair U‘u-Hodgins, and members Cook, Johnson, Lee, Paltin, Rawlins-Fernandez, Sinenci, and Sugimura voted “aye.”

Your Committee also voted 8-0 to recommend filing Resolution 25-160 and Resolution 25-162. Committee Chair Kama, Vice-Chair U‘u-Hodgins, and members Cook, Johnson, Lee, Rawlins-Fernandez, Sinenci, and Sugimura voted “aye.” Committee member Paltin was excused.

Your Committee is in receipt of Resolution 25-161, CD1, approved as to form and legality by the Department of the Corporation Counsel, incorporating your Committee’s recommended revisions and nonsubstantive revisions.

Your Housing and Land Use Committee RECOMMENDS the following:

1. That Resolution 25-161, CD1, attached, entitled “APPROVING WITH MODIFICATION THE KAIAHALE ‘O KAHILUHILU AFFORDABLE HOUSING RENTAL PROJECT UNDER SECTION 201H-38, HAWAI‘I REVISED STATUTES,” be ADOPTED;
2. That Resolution 25-160, attached, entitled “APPROVING THE KAIAHALE ‘O KAHILUHILU AFFORDABLE HOUSING RENTAL PROJECT UNDER SECTION 201H-38, HAWAI‘I REVISED STATUTES,” be FILED; and

COUNCIL OF THE COUNTY OF MAUI

# HOUSING AND LAND USE COMMITTEE

Page 8

**Committee**  
**Report No.** \_\_\_\_\_

3. That Resolution 25-162, attached, entitled “DISAPPROVING THE KAIAHALE ‘O KAHILUHILU AFFORDABLE HOUSING RENTAL PROJECT UNDER SECTION 201H-38, HAWAI‘I REVISED STATUTES,” be FILED.

This report is submitted in accordance with Rule 3 of the Rules of the Council.



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TASHA KAMA, Chair

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# Resolution

## **No. 25-161, CD1**

### APPROVING WITH MODIFICATION THE KAIAHALE 'O KAHILUHILU AFFORDABLE HOUSING RENTAL PROJECT UNDER SECTION 201H-38, HAWAI'I REVISED STATUTES

WHEREAS, HKI Kahului Kaiahale LLC, a Hawai'i limited liability company, proposes to develop the Kaiahale 'o Kahiluhilu affordable housing rental project under Section 201H-38, Hawai'i Revised Statutes, on a 3.403-acre portion of a State-owned parcel at 153 West Kaahumanu Avenue, Kahului, Hawai'i, identified for Real Property Tax purposes as Tax Map Key (2) 3-7-004:003; and

WHEREAS, the Project would provide 301 multifamily affordable housing rental units and two non-revenue-generating resident-manager units, for a total of 303 housing units; and

WHEREAS, the affordable housing units would be developed, constructed, and rented to qualified individuals earning up to 60 percent of the area median income for Maui County, as determined by the U.S. Department of Housing and Urban Development, as follows:

- 17 units at 30 percent and below the AMI;
- 83 units at 50 percent and below the AMI; and
- 201 units at 60 percent and below the AMI; and

WHEREAS, on July 28, 2025, the Hawai'i Housing Finance and Development Corporation submitted the Project's preliminary plans and specifications and an application to the Council, recommending the Project's approval under HRS Chapter 201H; and

WHEREAS, the Project would be composed of two residential rental buildings, an active open area, and a multipurpose room; and

WHEREAS, the Project would provide 106 one-bedroom units, 177 two-bedroom units, and 20 three-bedroom units; and

## **Resolution No. 25-161, CD1**

WHEREAS, the Project includes exemptions, as authorized by HRS Section 201H-38(a), from specified statutes, Charter provisions, ordinances, and rules of government agencies relating to planning, zoning, construction standards for subdivisions, development and improvement of land, and the construction of dwelling units on the land; and

WHEREAS, the Maui County Code authorizes exemptions from certain fees for residential developments with 100 percent residential workforce housing units, as defined under Code Section 2.96.020, and from the County's water availability policy for residential development projects with 100 percent affordable housing units in the Department of Water Supply's Central Maui water system; and

WHEREAS, the Code does not account for non-revenue-generating resident-manager units in determining whether a project may nonetheless maintain the 100 percent threshold, and exemptions from the fees and policy referenced in the preceding paragraph are therefore included in the attached list of exemptions; and

WHEREAS, the Council finds that the two resident-manager units are part of the common area to support the Project's residents; and

WHEREAS, the Project is therefore a residential development with 100 percent residential workforce housing units, as defined under Code Section 2.96.020; and

WHEREAS, HHFDC finds that the Project with the requested exemptions is consistent with the purpose and intent of HRS Chapter 201H and meets minimum health and safety requirements; and

WHEREAS, under HRS Section 201H-38, the Council must approve, approve with modification, or disapprove the Project by resolution within 45 days after HHFDC has submitted the Project's preliminary plans and specifications to the Council, or the Project will be deemed approved by the Council; and

WHEREAS, by Act 294, Session Laws of Hawai'i 2025, effective July 3, 2025, the State Legislature amended HRS Section 201H-38 so that the Council "shall not impose stricter conditions, impose stricter median income requirements, or reduce fee waivers that will increase the cost of the project beyond those approved by the corporation"; now, therefore,


## **Resolution No. 25-161, CD1**

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

1. That, based upon the transmittals by and representations of the Hawai'i Housing Finance and Development Corporation and HKI Kahului Kaiahale LLC—collectively the developer—including the Project's preliminary plans and specifications, the Council approves the Kaiahale 'o Kahiluhilu affordable housing rental project with the modifications specified in the attached Exhibit "A," on the condition that HKI Kahului Kaiahale LLC complies with all statutes, ordinances, charter provisions, and rules of governmental agencies on planning, zoning, and construction standards for subdivisions, development and improvement of land, and the construction of units on the land, except for the exemptions in the attached Exhibit "B";
2. That the Council will be deemed to have approved the Project's final plans and specifications if they do not substantially deviate from the preliminary plans and specifications approved by the Council, as determined by HHFDC's Executive Director;
3. That any substantial deviation from the preliminary plans and specifications must be submitted to the Council for prior approval by resolution;
4. That the final plans and specifications are the Project's zoning, building, construction, and subdivision standards; and
5. That certified copies of this Resolution be transmitted to the Mayor, Director of Housing, Planning Director, Director of Public Works, HHFDC Executive Director, and HKI Kahului Kaiahale LLC.

**Resolution No. 25-161, CD1**

APPROVED AS TO FORM AND LEGALITY:




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Department of the Corporation Counsel  
County of Maui

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INTRODUCED BY:

  
TASHA KAMA

**EXHIBIT “A”**

**KAIAHALE ‘O KAHILUHILU AFFORDABLE HOUSING RENTAL PROJECT**

**MODIFICATIONS**

- A. The Project is modified to recognize it as a 100 percent affordable rental housing project with two onsite non-revenue-generating resident-manager units that are a part of the Project’s common area elements.
- B. The Project must start construction of both phases by December 31, 2028, and complete construction of both phases by December 31, 2030. For the purposes of this modification, construction starts with the visible start of grading under a valid grading permit. These deadlines may be extended by resolution.

## **EXHIBIT “B”**

### **KAIAHALE ‘O KAHILUHILU AFFORDABLE HOUSING RENTAL PROJECT**

#### **EXEMPTIONS**

The Project is a 100 percent affordable rental housing project with two onsite non-revenue-generating resident-manager units that are a part of the Project’s common area elements.

**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 construction period and for the duration of its operation as an affordable housing rental project under 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 and special handling fees.
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 Section 12.08.100, “Standards and specifications,” Standard Details for Public Works Construction, Standard Detail R-49, Driveway Layouts for Concrete Curb Streets, is granted to allow the separation between driveways to be less than the minimum distance of 45 feet, if a traffic evaluation of all proposed driveways that do not meet the minimum distance of 45 feet is prepared by the developer and the director of public works approves the driveway spacing proposed for the Project as adequate to protect public health and safety, which approval will not be unreasonably withheld.
3. An exemption from Code Chapter 12.24A, “Landscape Planting and Beautification,” is granted to exempt the Project from consistency with the adopted landscape planting plan relating to street trees, if trees are planted onsite along the Kane Street and Kaahumanu Avenue roadway frontages of the Project, as generally depicted on the Residential Phase Landscape Plan, Sheet L1.1 of the

application's Exhibit 23, subject to reasonable substitutions in species.

**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 paying the 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 because the Project is comprised of 100 percent residential workforce housing units, as defined in Section 2.96.020, Maui County Code, which must be evidenced by an executed, recorded, and valid residential workforce housing agreement between the developer and the County.
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 Section 16.16C.C406.10, "Electric vehicle infrastructure," is granted to exempt the Project from electric vehicle infrastructure requirements.
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.
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.



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.
7. Because the Project is receiving County funds, Code Section 16.25.201, “Applicability and Scope,” exempts the Project from improvements—including pavement widening, construction of sidewalks, curbs, gutters, swales, drainage improvements, driveways, curb ramps, striping, signage, relocation of utilities, and placement of utilities underground—to Kane Street, except that the Project will install curbs, gutters, and sidewalks from its Kane Street driveway to Vevau Street, consistent with existing improvements.

**F. Title 18, Maui County Code, “Subdivisions”**

1. 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.
2. Except as provided in paragraph E.7, 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.
3. Except as provided in paragraph E.7, an exemption from Code Section 18.20.070, “Sidewalks,” is granted to exempt the Project from the requirement of constructing sidewalks along frontages.
4. Except as provided in paragraph E.7, 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, “Development standards,” 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:misc:001(1)areso02 Exemptions

# Resolution

No. 25-160

## APPROVING THE KAIAHALE 'O KAHILUHILU AFFORDABLE HOUSING RENTAL PROJECT UNDER SECTION 201H-38, HAWAI'I REVISED STATUTES

WHEREAS, HKI Kahului Kaiahale LLC, a Hawai'i limited liability company, proposes to develop the Kaiahale 'o Kahiluhilu affordable housing rental project under Section 201H-38, Hawai'i Revised Statutes, on a 3.403-acre portion of a State-owned parcel at 153 West Ka'ahumanu Avenue, Kahului, Hawai'i, identified for Real Property Tax purposes as Tax Map Key (2) 3-7-004:003; and

WHEREAS, the Project would provide 301 multifamily affordable housing rental units and two non-revenue-generating resident-manager units, for a total of 303 housing units; and

WHEREAS, the affordable housing units would be developed, constructed, and rented to qualified individuals earning up to 60 percent of the area median income for Maui County, as determined by the U.S. Department of Housing and Urban Development, as follows:

- 17 units at 30 percent and below the AMI;
- 83 units at 50 percent and below the AMI; and
- 201 units at 60 percent and below the AMI; and

WHEREAS, on July 28, 2025, the Hawai'i Housing Finance and Development Corporation submitted the Project's preliminary plans and specifications and an application to the Council, recommending the Project's approval under HRS Chapter 201H; and

WHEREAS, the Project would be composed of two residential rental buildings, an active open area, and a multipurpose room, and

WHEREAS, the Project would provide 106 one-bedroom units, 177 two-bedroom units, and 20 three-bedroom units; and

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**Resolution No. 25-160**

WHEREAS, the Project includes exemptions, as authorized by HRS Section 201H-38(a), from specified statutes, Charter provisions, ordinances, and rules of government agencies relating to planning, zoning, construction standards for subdivisions, development and improvement of land, and the construction of dwelling units on the land; and

WHEREAS, the Maui County Code authorizes exemptions from certain fees for residential developments with 100 percent residential workforce housing units, as defined under Code Section 2.96.020, and from the County's water availability policy for residential development projects with 100 percent affordable housing units in the Department of Water Supply's Central Maui water system; and

WHEREAS, the Code does not account for non-revenue-generating resident-manager units in determining whether a project may nonetheless maintain the 100 percent threshold, and exemptions from the fees and policy referenced in the preceding paragraph are therefore included in the attached list of exemptions; and

WHEREAS, HHFDC finds that the Project with the requested exemptions is consistent with the purpose and intent of HRS Chapter 201H and meets minimum health and safety requirements; and

WHEREAS, under HRS Section 201H-38, the Council must approve, approve with modification, or disapprove the Project by resolution within 45 days after HHFDC has submitted the Project's preliminary plans and specifications to the Council, or the Project will be deemed approved by the Council; and

WHEREAS, by Act 294, Session Laws of Hawai'i 2025, effective July 3, 2025, the State Legislature amended HRS Section 201H-38 so that the Council "shall not impose stricter conditions, impose stricter median income requirements, or reduce fee waivers that will increase the cost of the project beyond those approved by the corporation"; now, therefore,

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

1. That, based upon the transmittals by and representations of the Hawai'i Housing Finance and Development Corporation and HKI Kahului Kaiahale LLC, including the Project's preliminary plans and specifications, the Council approves

**Resolution No. 25-160**

the Kaiahale 'o Kahiluhilu affordable housing rental project, on the condition that HKI Kahului Kaiahale LLC complies with all statutes, ordinances, charter provisions, and rules of governmental agencies on planning, zoning, and construction standards for subdivisions, development and improvement of land, and the construction of units on the land, except for the exemptions in the attached Exhibit "A";

2. That the Council will be deemed to have approved the Project's final plans and specifications if they do not substantially deviate from the preliminary plans and specifications approved by the Council, as determined by HHFDC's Executive Director;
3. That any substantial deviation from the preliminary plans and specifications must be submitted to the Council for prior approval by resolution;
4. That the final plans and specifications are the Project's zoning, building, construction, and subdivision standards; and
5. That certified copies of this Resolution be transmitted to the Mayor, Director of Housing, Planning Director, Director of Public Works, HHFDC Executive Director, and HKI Kahului Kaiahale LLC.

APPROVED AS TO FORM AND LEGALITY:

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Department of the Corporation Counsel  
County of Maui

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INTRODUCED BY:

A handwritten signature in cursive script, appearing to read 'Tasha Kama', written over a horizontal line.

TASHA KAMA

## **EXHIBIT "A"**

### **EXEMPTIONS**

#### **KAIAHALE 'O KAHILUHILU AFFORDABLE HOUSING RENTAL PROJECT**

**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 construction period 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 Section 12.08.100, "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 fire access driveway on Vevau Street from the requirement that driveways be separated by a minimum distance of 45 feet. The Project's 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 16.18B, "Electrical Code," is granted to exempt the Project from permit and inspection fees required by the Electrical Code.
4. 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. 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. An exemption from Code Section 16.25.105, "Permits," is granted to exempt the Project from the standard permitting process for County permits needed to develop the Project, including subdivision applications, civil construction plans, and other plans and permits for Project development. The Project will be permitted under this exemption to use the fast-track permit processing procedures under Code Section 2.96.100.
7. An exemption from Code Section 16.25.201, "Applicability and Scope," is granted to exempt the Project from the requirements of:
  - a. Constructing sidewalks, curbs, and gutters; and
  - b. Placing utilities underground.



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

1. An exemption from Department of Public Works guidelines to provide bicycle and pedestrian improvements in excess of Code Title 18, "Subdivisions," is granted to exempt the Project from providing bicycle and pedestrian improvements that fully comply with the County's Complete Streets policy. Pedestrian connectivity improvements will be provided according to 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.

# Resolution

No. 25-162

## DISAPPROVING THE KAIAHALE 'O KAHILUHILU AFFORDABLE HOUSING RENTAL PROJECT UNDER SECTION 201H-38, HAWAI'I REVISED STATUTES

WHEREAS, HKI Kahului Kaiahale LLC, a Hawai'i limited liability company, proposes to develop the Kaiahale 'o Kahiluhilu affordable housing rental project under Section 201H-38, Hawai'i Revised Statutes, on a 3.403-acre portion of a State-owned parcel at 153 West Ka'ahumanu Avenue, Kahului, Hawai'i, identified for Real Property Tax purposes as Tax Map Key (2) 3-7-004:003; and

WHEREAS, the Project would provide 301 multifamily affordable housing rental units and two non-revenue-generating resident-manager units, for a total of 303 housing units; and

WHEREAS, the affordable housing units would be developed, constructed, and rented to qualified individuals earning up to 60 percent of the area median income for Maui County, as determined by the U.S. Department of Housing and Urban Development, as follows:

- 17 units at 30 percent and below the AMI;
- 83 units at 50 percent and below the AMI; and
- 201 units at 60 percent and below the AMI; and

WHEREAS, on July 28, 2025, the Hawai'i Housing Finance and Development Corporation submitted the Project's preliminary plans and specifications and an application to the Council, recommending the Project's approval under HRS Chapter 201H; and

WHEREAS, under HRS Section 201H-38, the Council must approve, approve with modification, or disapprove the Project by resolution within 45 days after HHFDC has submitted the Project's preliminary plans and specifications to the Council, or the Project will be deemed approved by the Council; now, therefore,

✓

**Resolution No. 25-162**

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

1. That the Council disapproves the project submitted to the Council on July 28, 2025, under Section 201H-38, Hawai'i Revised Statutes; and
2. That certified copies of this Resolution be transmitted to the Mayor, Director of Housing, Planning Director, Director of Public Works, HHFDC Executive Director, and HKI Kahului Kaiahale LLC.

APPROVED AS TO FORM AND LEGALITY:

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Department of the Corporation Counsel  
County of Maui

paf:cmn:25-197c

INTRODUCED BY:

  
TASHA KAMA