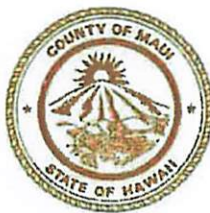


RICHARD T. BISSEN, JR.
Mayor

LORI TSUHAKE
Acting Director

SAUMALU MATA' AFA
Deputy Director



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OFFICE OF THE
COUNTY CLERK

**DEPARTMENT OF HOUSING
& HUMAN CONCERNS**
COUNTY OF MAUI
2200 MAIN STREET, SUITE 546
WAILUKU, MAUI, HAWAII 96793
PHONE: (808) 270-7805

March 1, 2023

Honorable Richard T. Bissen, Jr.
Mayor, County of Maui
200 South High Street
Wailuku, Hawaii 96793

APPROVED FOR TRANSMITTAL

3/2/23

Mayor Date

For Transmittal to:

Honorable Alice L. Lee, Chair
and Members of the Maui County Council
200 South High Street
Wailuku, Hawaii 96793

Dear Chair Lee and Members:

SUBJECT: REFERRING TO THE MAUI PLANNING COMMISSION A PROPOSED BILL TO AMEND THE STATE LAND USE DISTRICT CLASSIFICATION FROM AGRICULTURAL DISTRICT TO URBAN DISTRICT (CONDITIONAL BOUNDARY AMENDMENT) FOR 9.798 ACRES SITUATED AT WAIEHU, MAUI, HAWAII, TAX MAP KEY (2) 3-3-001:106

I am transmitting a proposed resolution entitled, "REFERRING TO THE MAUI PLANNING COMMISSION A PROPOSED BILL TO AMEND THE STATE LAND USE DISTRICT CLASSIFICATION FROM AGRICULTURAL DISTRICT TO URBAN DISTRICT (CONDITIONAL BOUNDARY AMENDMENT) FOR 9.798 ACRES SITUATED AT WAIEHU, MAUI, HAWAII, TAX MAP KEY (2) 3-3-001:106".

The purpose of the proposed resolution is to authorize the reclassification of certain land situated at Waiehu, Maui, Hawaii, identified for real property tax purposes by Tax Map Key No. (2) 3-3-001:106 from the Agricultural District to the Urban District (Conditional Boundary Amendment), pursuant to Section 205-3.1, Hawaii Revised Statutes, and Chapter 19.68, Maui County Code.

The proposed resolution would be conditional upon the Council's passage of a resolution approving, with modifications, the independent development of the Hale Mahaolu Ke Kahua

TO SUPPORT AND EMPOWER OUR COMMUNITY TO REACH ITS FULLEST
POTENTIAL FOR PERSONAL WELL-BEING AND SELF-RELIANCE

Honorable Alice L. Lee, Chair
and Members of the Maui County Council
March 1, 2023
Page 2

Affordable Housing Community Project pursuant to Chapter 2.97, Maui County Code, as set forth in the developer's 2.97 application which has been submitted to Council.

Exhibit "1" contains a project description of the Hale Mahaolu Ke Kahua Affordable Housing Community Project and is also attached for informational purposes.

I respectfully request that this matter be referred to the appropriate Council committee for review, discussion, and action.

Thank you for your attention to this matter. Should you have any questions, please feel free to contact me at Ext. 7805.

Sincerely,



LORI TSUHAKO, LSW, ACSW
Acting Director of Housing and Human Concerns

Attachments

xc: Buddy Almeida, Housing Administrator
Munekiyo Hiraga
Waiehu Housing, LP

PROJECT DESCRIPTION

In response to the current and projected shortage of affordable housing in Maui County, Waiehu Housing, LP (Applicant) proposes to develop a 120-unit affordable rental housing community in Waiehu, Maui, Hawai'i. The subject property is identified by TMK (2)3-3-001:106 (Parcel 106) and covers an area of approximately 11.476 acres. The project site is bounded by the intersection of Kahekili Highway and Waiehu Beach Road to the north, Waiehu Heights is located immediately to the east, while lands designated as the Pi'ihana Project District lie to the south and west. Parcel 106 is largely vacant, but historically, the subject property was farmed by Wailuku Agribusiness Co., Inc. and its forbearers for the cultivation of pineapple and sugar cane.

More recently, the property was used for the cultivation of macadamia nuts. Agricultural production ceased on December 31, 1999. Although agricultural operations ceased some time ago, many macadamia nut trees are still on the property. The subject property was acquired by Hawai'i Land & Farming (HL&F) in 2004. HL&F formally conveyed the 11.476-acre parcel to Maui Economic Opportunity, Inc. (MEO) in June of 2008.

MEO formerly operated the Ke Kahua Farm project on the property, where volunteers planted taro and other plants when it had operating funding for the project. When the funding was exhausted, MEO tried to maintain the property with volunteers which was unsuccessful due to the lack of supervised oversight. Additionally, the property was vandalized numerous times and over time all of the equipment was stolen, including the well pump, hoses, engine and the generator. It was at this time MEO decided to look for alternative uses of the property, which would benefit the community and the low-income families the nonprofit serves. The Applicant and MEO plan to enter into a long-term lease to develop the affordable housing community.

The proposed project will be 100 percent affordable, providing rental housing for residents earning 60 percent or less of the Area Median Income (AMI) and will be developed in cooperation with Hale Mahaolu. The project will consist of 120 multi-family residential units, housed in 13 2-story buildings, including 28 1-bedroom units, 60 2-bedroom units, and 32 3-bedroom units, as well as a 3,477 square foot (sq. ft.) non-profit building, a 3,231 sq. ft. clubhouse, landscaping, and related improvements. One-bedroom units will be approximately 652 square feet (s.f.), 2-bedroom units will be approximately 852 s.f. and 3-bedroom units will be approximately 1,208 s.f. Additional amenities will include two (2) play areas, two (2) onsite laundry facilities and a maintenance room. A total of

approximately 274 parking stalls and two (2) loading stalls will also be provided. Hale Mahaolu, a private nonprofit corporation, will serve as property manager and handle the operations of the project. Access to the project site will be provided by three (3) driveway entrances off of Kahekili Highway.

Of the total 120 affordable multi-family units, twelve (12) units will be rented at 30 percent or less of the Housing and Urban Development (HUD) Area Median Income (AMI) and 107 units will be rented at 60 percent or less of the HUD AMI. The proposed project also includes one (1) exempt manager unit.

For reference, rent prices at 30 percent of the HUD AMI are approximately \$569.00, \$683.00 and \$789.00 for 1-bedroom, 2-bedroom and 3-bedroom units, respectively. Rent prices at 60 percent of the HUD AMI are approximately \$1,137.00, \$1,365.00 and \$1,577.00 for 1-bedroom, 2-bedroom and 3-bedroom units, respectively (Income Limits and Affordable Rent Guidelines by the Department of Housing and Human Concerns, Housing Division, effective as of May 1, 2022).

Construction of the proposed project will commence upon the MCC Chapter 2.97 approval by the Maui Council and upon receipt of building permit approval. The Applicant is targeting to start construction in the first or second quarter of 2023, once entitlement and construction permit approvals have been obtained for the project. The project will be built in a single phase over an estimated 16 months, with completion targeted around the third quarter of 2024. The total cost of the proposed project is estimated to be \$33.5 million.