

EDB Committee

From: Max Tornai <max@habitat-maui.org>
Sent: Wednesday, November 06, 2019 11:04 AM
To: EDB Committee
Cc: Keani N. Rawlins; Sherri Dodson
Subject: Habitat Maui - Executive Summary of Hana Affordable Housing Project
Attachments: Hana Project - Executive Summary.pdf; Hana Appraisal By Lot.pdf; EXAMPLE of HOUSE PRICE CALCULATOR.pdf; AHF Hana - Final Grant Application.pdf; Land Use Committee 171018 min.pdf

Aloha EDB Chair Rawlins-Fernandez,

Thank you so much for notifying us that Habitat Maui's "100% Affordable Hana Housing Project" has been put on the EDB Committee's agenda for the Tuesday November 19th meeting at 1:30 PM.

I wanted to make sure the committee had as much information as possible about this project and how Habitat's program works.

Attached, please find the following documents for the committee's review:

1. Executive Summary
2. Hana Appraisal Breakdown by Lot
3. Home Price Calculator
4. Original Affordable Housing Grant Application
5. Minutes from the November 2017 Land Use Committee meeting held in Hana discussing the project.

If acceptable, we would very much appreciate the opportunity to have a short presentation at the committee meeting to provide an overview of this project directly.

Please let me know if we can provide more information or you have any questions.

Mahalo again,

Max

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Max Tornai
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Habitat for Humanity Maui builds **strength, stability and self-reliance** through shelter. You can help! [Donate here.](#)

100% Affordable Hana Housing Project

Executive Summary



Prepared for Maui County Councilmembers

8.20.2019

Current Status of Project: On November 23, 2018 Habitat for Humanity Maui submitted an Affordable Housing Fund grant application for the 100% Affordable Hana Housing Project. The project includes land acquisition and new construction for 25 single-family homes with an affordability period of 30 years. Mayor Victorino submitted a proposed measure to Maui County Council supporting this application and we are currently waiting for the proposed bill to be referred to the appropriate subject-matter committee.

Amount Requested from Affordable Housing Fund: \$5,000,000

Habitat's Total Anticipated Cost of Full Project: \$7,851,500

Budget Overview

Income Source	Amount	Status
Maui County Affordable Housing Fund	\$5,000,000	<i>Pending</i>
USDA 502 Loans*	\$1,801,500	<i>Pending*</i>
Habitat Maui – Revolving Fund **	\$350,000	Confirmed **
State of Hawaii – Grant In Aid	\$300,000	Confirmed
Krambo Corporation ***	\$400,000	<i>Pending ***</i>
Total Income	\$7,851,500	
Expenses		
Total Land Acquisition	\$4,115,750	
Total Infrastructure Costs	\$15,000	
Total Construction Costs	\$3,720,750	
Total Expense	\$7,851,500	
<p>* USDA 502 loans are low interest loans for a purchase of a home. USDA acts like a conventional lender except the loans are very low interest and reserved for low income families. Habitat will work with USDA to issue these loans and then discount sales prices so that the families will pay no more than 30% of their income towards housing costs. Sophie Daquis, Family Services Manager and Sherri K. Dodson, Executive Director are both certified with USDA to package 502 Loans. Once we are ready to market the project, families will apply, and Habitat will package eligible loans to USDA. USDA can take anywhere from 1 to 9 months to fund.</p>		
<p>** Habitat Maui is the lender for our projects and issues the mortgage for our homes. Incoming payments go into a revolving account to help fund current construction. Habitat Maui currently holds \$2.1 million in mortgage receivables, with another \$3 million under construction (this equals roughly \$15,000 - \$18,000 per month in received mortgage payments).</p>		
<p>*** Income through sale of 2 mortgages to Krambo Corp.</p>		

Land Acquisition

Habitat Maui is planning on purchasing 25 lots (all 10,000 sq feet or larger) from GTH Land Company for this project at a purchase price of \$3,990,750 (average cost per lot would be \$159,630). Closing costs are anticipated to be approximately \$5,000 per lot or \$125,000 for all 25 lots. Total land acquisition comes to \$4,115,750.

Appraisals of these lots were performed by Allan Shishido of Island Appraisals on April 12, 2019. The total appraised value of these 25 lots (does not include closing costs) is \$5,495,500 or \$1,504,750 more than the agreed sales price. Please see attached sheet for appraisal amounts per lot.

Home Build Program's Revolving Fund

Habitat Maui is both the building contractor and the mortgage lender for our home build projects. Once we've finished building a home and our partner homeowner closes on their 0% interest mortgage, Habitat receives monthly mortgage payments. These mortgage payments are reinvested in new construction and home repair projects. Habitat Maui has committed to reinvesting *at least* \$350,000 from this fund in the 100% Affordable Hana Housing Project.

Habitat Maui has built or renovated 118 homes on Maui and Lanai since 2003. Habitat Maui currently holds \$2.1 million in mortgage receivables, with another \$3 million under construction. This equates to revenue of approximately \$15,000 - \$18,000 a month.

In this way, grant funding from Maui County's Affordable Housing Fund will ultimately support not just these 25 homes in Hana, but future affordable housing projects in Maui County. This system is designed to provide a sustainable revenue source to help increase the County's inventory of much needed affordable housing well into the future.

Habitat Maui does not make a profit from our Home Build program. All revenue is reinvested into putting more low-income families and individuals into safe, permanent housing they own themselves and can actually afford.

House Pricing & Deed Restrictions

Habitat Maui policy is that home pricing is calculated to be no more than 30% of the qualifying Partner Family's total household income (Home Price = 30% Household's Annual Income x 30-year mortgage). Please see the attached Home Price Calculator for more information. One of the criteria to qualify for a Habitat home is that an applicant's household income needs to be between 25% - 80% AMI (Area Median Income) for Maui County. Please note that Habitat will accept applications of up to 100% AMI for Hana residents for this project, in an effort to have more local Hana workers such as fire fighters and teachers qualify (salary ranges are generally from \$45,000 - \$60,000/year).

To comply with current mortgage laws, Habitat Maui is required to set the Sales Price at the appraised value, but then will discount this price to meet the 30% household income threshold.

Although the homeowner is allowed to sell their home, Habitat has the right of first refusal to purchase the home back (and would then select another low income family to participate in the program). Habitat Maui has a 30-year affordability period, with the partner homeowner's appreciation starting at year 11.

In the 20+ years Habitat Maui has operated, no Habitat home has been resold to anyone but a family member of the original owner. For most of our partner families, their Habitat home is the family's sole source of wealth.

Sweat Equity and other Homeowner Requirements

Habitat Maui requires our Partner Homeowners to complete at least 500 hours of "sweat equity" helping to build their house. We also require all of our homeowners to successfully complete our "Homeowner Education & Financial Literacy" course, which is an 8-hour HUD approved curriculum. This course is designed to prepare first time homebuyers to be financially self-sufficient and successful long term homeowners.

Examples of Home Construction

Kahoma Project – Lahaina HI



Habitat is currently building 10 new homes in Lahaina. Overall completion rate is about 60%, with 3 homes 100% complete and will close escrow by early September 2019.

225 Caldwell Ave, Lanai City

BEFORE



AFTER:



Habitat's first full home build on Lanai was a full tear & rebuild down of the original home in dilapidated condition. The homeowner is a widow raising her grandchildren by herself.

Borrower HABITAT FOR HUMANITY MAUI

Property Address Kawaipapa Subdivision

City Hana County Maui State HI Zip Code 96713

Lender/Client HABITAT FOR HUMANITY MAUI Address 1162 Lower Main St, Wailuku HI, 96793

Lot No	Lot Size (sf)	Adjustments			Adjusted Value	Sales Price
		Site area	Topography	View		
1	10,000	0	0	0	\$ 219,500	\$ 129,650
2	10,000	0	0	0	\$ 219,500	\$ 129,650
3	10,054	0	-3,300	0	\$ 216,200	\$ 118,150
4	10,150	0	0	0	\$ 219,500	\$ 118,150
5	10,150	0	0	0	\$ 219,500	\$ 129,650
6	10,150	0	0	0	\$ 219,500	\$ 129,650
7	10,014	0	0	0	\$ 219,500	\$ 177,200
8	10,050	0	0	0	\$ 219,500	\$ 177,200
9	10,026	0	0	0	\$ 219,500	\$ 177,200
10	10,652	0	-3,300	0	\$ 216,200	\$ 177,200
11	12,698	3,500	-3,300	0	\$ 219,700	\$ 129,650
12	13,865	5,000	-2,200	0	\$ 222,300	\$ 129,650
13	13,162	5,000	-2,200	0	\$ 222,300	\$ 118,150
14	10,756	0	-2,200	2,200	\$ 219,500	\$ 206,750
15	10,093	0	0	2,200	\$ 221,700	\$ 206,750
16	10,221	0	0	2,200	\$ 221,700	\$ 206,750
17	10,349	0	0	2,200	\$ 221,700	\$ 206,750
18	10,478	0	0	2,200	\$ 221,700	\$ 206,750
19	10,606	0	0	0	\$ 219,500	\$ 206,750
20	10,140	0	0	0	\$ 219,500	\$ 206,750
*21	10,811	0	0	0	\$ 219,500	\$ 206,750
22	10,000	0	0	0	\$ 219,500	\$ 129,650
23	13,877	0	0	0	\$ 219,500	\$ 118,150
24	11,539	0	0	0	\$ 219,500	\$ 118,150
25	10,450	0	0	0	\$ 219,500	\$ 129,650
*Benchmark Total					\$ 5,495,500	\$ 3,990,750

INCOME VERIFICATION ANALYSIS WORKSHEET

Name
Date
Project Kahoma

Family # 2
House Size 2 BD 1 BR
Lot #

2. Proposed Monthly Payment	Mo. Pmt
Principal (1st Mtg.)	\$837.03
Property Taxes	\$ 48.00
Hazard Insurance	\$ 187.06
HOA	\$ 115.09
Total Monthly Payment (30%)	\$ 1,187.18
Homeowner Payment (-HOA)	\$ 1,072.09

3. House Price Calculation	Amount	
Appraised Value	\$ 660,000.00	
1st Mortgage/ After DP	\$ 301,329.00	\$ 298,315.71
Silent 2nd Mortgage	\$ 358,671.00	
Down Payment	\$ 3,013.29	
Closing Cost	\$ 5,349.22	
Down Payment & Closing Cost	\$ 8,362.51	

1. Gross Monthly Income	
<i>Name of Applicant</i>	\$3,957.25
	\$
Total Monthly Income	\$3,957.25
30% of Monthly Income	\$1,187.18

Other Monthly Obligations		Months Left
Auto Loan		
Personal or School Loan	\$ -	
Credit Card		
	\$ -	
	\$ -	
	\$ -	
	\$ -	
	\$ -	
Total Monthly Obligations	\$ -	
Monthly Housing Payment	\$ 1,187	
Total Debt	\$ 1,187	
Monthly Debt Payment to Income Ratio		30.00%

Instructions

- Box 1 Gross Monthly Income
- 30% of Monthly Income
- 30%= Box 2 Total Monthly Payment
- Determine the Monthly Principal Payment
- Monthly Principal *12*30= 1st Mortgage
- 1% 1st Mortgage= Down Payment
- Appraised Value- 1st Mortgage= 2nd Mortgage

Proposal for Development of Affordable Housing Fund Program-Eligible Projects



970 Lower Main St, Wailuku HI 96793

808.242.1140

habitat-maui.org

County of Maui
Department of Housing and Human Concerns
Affordable Housing Fund Program Application Form

Project Name: **100% Affordable Hana Housing Project**

1. ENTITY INFORMATION

A) Entity Information

Please type or print legibly the following information:

Entity's Name: Habitat for Humanity Maui, Inc.	
Entity's Tax ID Number: 94-3278838	
Entity's Contact Name, Title: Sherri K. Dodson, Executive Director	
E-Mail Address: sherri@habitat-maui.org	Phone Number: 808-242-1140
Entity's Address: Habitat for Humanity Maui 970 Lower Main St. Wailuku HI 96793	Fax Number: 808-242-1141

Please also include the information below if this application is being prepared by a person or entity different from the applicant.

Application Preparer Name: Max Tornai	
Application Preparer Contact Name, Title: Max Tornai, Development Director	
Application Preparer E-Mail Address: max@habitat-maui.org	Application Preparer Phone Number: 808-242-1140
Application Preparer Address: Max Tornai Habitat for Humanity Maui 970 Lower Main St. Wailuku HI 96793	Application Preparer Fax Number: 808-242-1141

. The Entity is a:

- | | |
|--|---|
| <input type="checkbox"/> public agency | <input checked="" type="checkbox"/> private non-profit organization |
| <input type="checkbox"/> private for-profit entity | <input type="checkbox"/> Community Land Trust |
| <input type="checkbox"/> other | |

Non-Profit Articles of Incorporation (Include copy) **Attached.**

Corporate Bylaws (Include copy) **Attached.**

Financials (Include most current financial statement) **Attached.**

Name and Title of Individual(s) authorized to sign legal documents on behalf of organization:

Name: Sherri K. Dodson Title Executive Director

Name: Darryl Banks Title Board President

(Include resolution authorizing individual(s) to sign application)

2. TYPE OF USES

A. Use Category: Check the use category(s) that most appropriately describes your use of Affordable Housing Fund Program funds:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Land Acquisition | <input checked="" type="checkbox"/> New Construction |
| <input type="checkbox"/> Rehabilitation | <input type="checkbox"/> On-Site Improvements |
| <input type="checkbox"/> Planning, Design | <input type="checkbox"/> Off-Site Infrastructure |
| <input type="checkbox"/> Residential Building Acquisition | <input type="checkbox"/> Other Uses (please specify): |

B. Project/Program Type: Check the appropriate activity:

- ☒ For-Sale Housing
☐ Rental Housing
☐ Rehabilitation
☐ Other (please specify):

C. Occupancy Information:

Number of households assisted: 25

At or below 50% of median income: 5

At or below 60% of median income: 7

At or below 80% of median income: 13

Other: Habitat Maui will target those 80% median income and below, but will also work up to 100% median income for Hana residents.

Indicate the number of units allotted for each of the following:

Family 25

Homeless

Elderly

Special Housing Needs

In the space provided below, please describe the special housing need served by this project (i.e. mobility impaired, hearing/vision impaired, mentally challenged, etc.).

Although elderly, homeless, or special needs applicants are encouraged to apply, none of the 25 single family homes will be specifically restricted to these populations.

3. FORM OF ASSISTANCE

Check the appropriate type of assistance:

- ☒ grant
☐ interest bearing loan (interest rate set at 3%)

If type of assistance is a loan, describe loan terms, loan repayment schedule and identify security/guarantee:

4. PROJECT SUMMARY

A. Project Name: 100% Affordable Hana Housing Project

B. Location (town/community): Hana, HI

C. Tax Map Key #: TMK (2) 1-3-004:001

D. Detailed project description [please include an outline of the income categories the project will serve; location of project; total number of units; type of project (homeownership or rental); target group (family, elderly or other special needs group, specify group); form of assistance (loan or grant); use of affordable housing fund program funds (acquisition of vacant land, acquisition of residential building and rehabilitation, new construction, etc.); unit size (no. of bedroom/bath); other funding sources (if firm commitment or tentative commitment), status of entitlements (zoning, district boundary amendment, community plan, 201H variances); environmental review status; site control status; project schedule (from pre-development to occupancy or acquisition of site or building to occupancy); if project satisfies another developer's affordable housing requirement or not; community support, other county, state or federal agencies support or approval and needs analysis for the type of project]:

Habitat for Humanity Maui is applying for a grant to purchase 25 lots from GTH Land Company Inc. in its "100% Affordable Hana Housing Project" in Hana, HI. The project's target group will be for families and individuals with incomes below 80% of the median income for Maui County. Habitat will target the 80% and below but will also work up unto 100% median income for Hana residents. Habitat feels that this project is critical as there has been very little affordable housing built in Hana over the past few decades. In 2016, Maui County Council member Bob Carroll said groups including Self Help Housing Corp. "are finishing the last of 14 other affordable homes in Hana — the first in the area in about 40 years". Habitat's project will not be limited to any one group and Habitat will take applications from anyone who falls below the 80% of median income and if those applications are exhausted then take applications for slightly higher incomes.

Homes will be single family homes. The size of the approved family will determine the size of the home with the smallest home being a two bedroom for a single person to four or five bedroom for a large family. Each home will be turn-key and come with a refrigerator and range.

The homes will be financed by Habitat who will lend the money to potential homeowners at 0% interest. The units will also have a Silent Second Mortgage that will be the difference between the fair market value of the property and the sales price. The Silent Second will stay in effect for the entire mortgage period with the Homeowner acquiring shared equity after the 11th year of ownership.

Habitat for Humanity will also provide homeowner education, budget counseling and credit counseling. Habitat will continue family support for all the families after they move in to assure that the families are successful homeowners.

Habitat has confirmed a \$300,000 grant through the State of Hawaii's "Grant In Aid" (GIA) program, that is designated for construction costs for this project. Additionally, Habitat will finance the project with funds from the Affordable Housing Fund, USDA 502 loans, and a sale of the potential mortgages and fundraising through Krambo Corporation. USDA funding is tentative but the financing is firm. Fundraising and grant writing will continue.

The "100% Affordable Hana Housing Project" is a project that was brought before the planning commission, LUC, County Council for a 201H approval and has been approved at each level. All requirements for this project have been completed by the Developer, West Maui Land Company. They will provide pad-ready lots to Habitat at a discount price. The entire project is deemed affordable, serving 25% to 80% of median income (with the option of up to 100% for Hana residents if necessary).

All environmental and land use issues are being handled by GTH Land Co. and to our knowledge have been completed as part of the 201H process. We have already been given a Letter of Intent to purchase the 25 lots from GTH Land Company. We can purchase the lots as soon as funding becomes available. The project schedule as of this date is that site work should be complete the last quarter of 2019 and then Habitat will take position once all infrastructure has been complete.

- E. Provide an overview of a long-term management plan for the proposed project (please include tenant selection process; homebuyer selection process; compliance monitoring plan (annual verification of owner occupancy, verification of homeownership unit kept affordable for 25 years, rental unit kept affordable for life of unit, etc.)

Habitat for Humanity Maui follows the long standing and tested family selection process created by Habitat for Humanity International. Applications are provided online, mailed or available at our offices. Deadlines are established for the return of applications and for all information needed to evaluate the application. The files are reviewed by the Family Selection Committee. This committee is comprised of mortgage lenders, bank officials, and social workers. The file is reviewed for completeness, for meeting the basic requirements of Habitat which includes the showing of need, the ability to repay the 0% interest loan and the willingness to partner with Habitat including providing at least 500 hours of sweat equity.

Habitat looks for families that are living in substandard housing, living in overcrowded

quarters, paying more than 30% of their income for housing or who are currently or recently homeless. The family's financial situation is accessed to see if they fall within the 25% to 80% of median income guidelines (with the ability to go up to 100% median income for Hana residents if necessary).

Habitat reviews the families' credit report and if inadequate, refers the family to our homeownership counselor who helps the family repair their credit report. Habitat will accept families with poor credit history if they are willing and able to repair their credit score.

Lastly, families are required to read and fully understand Habitat's partner agreement. The Agreement clearly states sweat equity of at least 500 hours that is required by each family. In addition, each family must complete our 8 hour, HUD Certified "Homeowner Education & Financial Literacy" course. The elderly and disabled are provided opportunities for their sweat equity in creative ways to accommodate physical constraints.

The Family Selection committee does a home visit and then determines if they will recommend the family for Partnership. If the family is referred then the file is given to the Executive Director for final review. The Executive Director prepares a summary for the Board of Directors deleting any reference to family name. The Board of Directors makes the final decision of approval.

Once the family is approved, they must attend classes that include credit counseling, budget counseling and debt management. They also learn more about Habitat and the requirements of sweat equity. They begin their sweat equity immediately and may work on other Habitat homes.

Once a family is accepted they are monitored by our Family Support Committee. Each committee member is a skilled social worker and works with the family on any issue that will help them with home ownership. The Family Support Manager continues with the family even after they move into their home.

Habitat requests income verification each year from all its Partner Families. Habitat Family Support Managers continue to be available for families for whatever they might encounter as new homeowners.

Habitat not only builds the project, we also are the lender and issue a mortgage at a 0% interest rate that only includes the cost of the unit with no profit. The unit is sold with a 30 year 0% interest mortgage for the actual cost. There is a buy back clause and restriction for owner occupancy. A Silent Second Mortgage is also executed that includes the difference between the fair market value and the actual sales cost of the unit. This Silent Second will be in effect for the full 10 years required by the Residential Workforce Housing Ordinance. All mortgages will be recorded so that no sale can occur without notification to Habitat.

- F. Provide a housing needs analysis for the type of project being developed (if citing information from housing needs studies or market analysis, reference the source document and include the pertinent pages of the source document) (document source if using statistics).

Hana has dire need for more housing in general, but the specific need for affordable housing is critical. Low available inventory and high need, combined with the rebound of the economy have led to skyrocketing home prices. The median house price for the month of October 2018 for a single family house in Hana was \$950,000 and only 3 houses were sold. In September 2018, there were no single family home sales all month. (*Realtors Association of Maui – www.RAMaui.com; MLS Sale Data Sales information through October 2018– Information deemed reliable, however not guaranteed.*)

According to a *Star Advertiser* article published April 9, 2016, Maui County Council member Bob Carroll said (in support of this project) that groups (such as Self Help Housing Corp.) were “finishing the last of 14 other affordable homes in Hana, which was the first in the area in about 40 years. We still really, really need more housing,” Carroll said. Since then, no other affordable housing projects have been completed in Hana.

On October 18, 2017, the County Council’s Land Use Committee held a meeting at Helene Hall in Hana to receive public testimony about this project. At least 5 Hana residents testified that the need for more units had reached unacceptable levels: reports of multiple families (up to 25 individuals) living in a four bedroom home. There were reports of families of 4 and 5 people residing per bedroom. Other testimony included reports of families growing over the years (adult children having families of their own), but due to a lack of options, multiple generations were being forced to occupy the same space. There is a higher likelihood of these homes deteriorating into substandard and unsafe conditions when the number of residents far exceeds the original intended capacity.

Maui County in its 2015-2019 Consolidated Plan lists the need for affordable housing as a “high priority” under its ConPlan Priorities and Goals. *2015-2019 Consolidated Plan & 2015 Action Plan for the Period July 1 2015 through June 30, 2019.*

Our project fulfills several goals established within the consolidated plan. In The Housing and Special Needs Housing Goals for the County of Maui 2015-2019, the ConPlan indicates that one of their goals is to promote decent and affordable housing, while another is to strengthen communities. Habitat’s program of building and or renovating homes that are substandard promotes decent housing for everyone. In addition, the method that Habitat uses, bringing the community together to help build the homes, strengthens the community. Finally, when a rundown house in a neighborhood is renovated it revitalizes the entire neighborhood.

Habitat for Humanity Maui offers a 0% interest mortgage or promissory note. Habitat will complete the 25 homes within 3 years of receiving the pad ready lots. There is no other affordable homeownership program available to Maui residents that serves the same income range (25% - 80% of median income of Maui County – or up to 100% of median income for Hana residents if necessary).

G. Summary of amount and use of Affordable Housing Fund Program funds:

	<u>Affordable Housing Fund</u>	<u>TOTAL FUNDS</u>
Land Acquisition	\$ <u>3,750,000</u>	\$ <u>4,115,750</u>
Residential Building Acquisition	\$ _____	\$ _____
New Construction	\$ <u>1,050,000</u>	\$ <u>3,032,250</u>
Rehabilitation	\$ _____	\$ _____
On-Site Improvement	\$ _____	\$ _____
Off-Site Infrastructure	\$ _____	\$ _____
Planning, Design	\$ _____	\$ <u>75,000</u>
Other	\$ <u>200,000</u>	\$ <u>628,500</u>
TOTAL	\$ <u>5,000,000</u>	\$ <u>7,851,500</u>

H. What type of project are you planning? (Check all that apply)

- ☐ Apartment building
☐ Garden Style ☐ Mid-rise ☐ High-rise
☐ Cluster ☒ Single-family dwelling units
☐ Townhouse ☐ Duplex, triplex, fourplex
☒ New Construction ☐ Rehabilitation ☒ Acquisition

I. Size, number and rent of units:

House sizes will determined by the need of the families selected.

<u>Affordable Housing Fund Program Units</u>	<u>Size</u>	<u>Number</u>	<u>Rent/Sales Price</u>
0 bedroom units	_____ s.f.	# _____	\$ _____
1 bedroom units	_____ s.f.	# _____	\$ _____
2 bedroom units	<u>720</u> s.f.	# _____	\$ <u>\$285,000</u>
3 bedroom units	<u>1000</u> s.f.	# _____	\$ <u>\$310,000</u>
4 bedroom units	<u>1200</u> s.f.	# _____	\$ <u>\$325,000</u>
5 bedroom units	_____ s.f.	# _____	\$ _____

Total number of units in project: 25

J. Number of affordable units and rents/sales price (as a percentage of median income)

Please indicate if it is rents or sales price.

	<u>50 percent below</u>	<u>80 percent below</u>	<u>100 percent below</u>	<u>120 percent below</u>
0 bedroom units	# _____ \$ _____	# _____ \$ _____	# _____ \$ _____	# _____ \$ _____
1 bedroom units	# _____ \$ _____	# _____ \$ _____	# _____ \$ _____	# _____ \$ _____
2 bedroom units	# _____ \$ _____	# _____ \$ _____	# _____ \$ _____	# _____ \$ _____

3 bedroom units # _____ \$ _____ # _____ \$ _____ # _____ \$ _____ # _____ \$ _____
 4 bedroom units # _____ \$ _____ # _____ \$ _____ # _____ \$ _____ # _____ \$ _____
 5 bedroom units # _____ \$ _____ # _____ \$ _____ # _____ \$ _____ # _____ \$ _____

K. Project Unit Mix

Fill in the appropriate number in the table below.

No. of Buildings	Studios	1 BR	2 BR	3 BR	4 BR	Total units
Gross Building Area in square feet	SF / unit	SF / unit	SF / unit	SF / unit	SF / unit	Gross Residential Area
Common Area (in square feet)						
Commercial Space (in square feet)						
Total Area						

If you need more space, attach a separate sheet with the information requested above.

L. Project Amenities

The Project will include the following amenities:

- ☐ Playground/Tot lot ☐ Picnic Area ☐ Swimming Pool
☐ Community Meeting Room ☐ Elevator ☐ Transportation
☐ Laundry Room ☐ Computer with high-speed internet access
☐ Other (describe) _____

L. Unit Amenities

What equipment/furnishings will be available in each unit?

- ☒ Range ☒ Refrigerator ☐ Air Conditioning ☐ Disposal
☐ Dishwasher ☐ Washer ☐ Dryer ☐ Carpet
☐ Drapes ☐ Furniture ☐ Heating ☐ Cable TV
☐ High speed internet access ☐ Other (describe) _____

N. Project includes other facilities (if applicable):

- ___ Community Center Facility
 ___ Child Care Facility
 ___ Other (Describe):

O. Will project have innovative techniques in design, construction, or operation?

 X Yes No (If "Yes", briefly describe)

As with all the building Habitat does, we incorporate as many energy efficient products as possible. Habitat uses energy efficient appliances and builds "green", while recycling and reusing materials on the job sites and with our ReStore.

Another unique component of our operation is in regard to the mortgage or promissory note for each homeowner. Habitat is the lender, which allows us to work with the homeowner should there be a substantial change in the homeowners situation (e.g. a medical emergency or sudden unexpected loss of income). This enables our Family Support committee to recommend to the Board of Directors a restructure of a mortgage rather than a foreclosure. An example of this would be a couple who purchases a Habitat home and they both are retired and living on a fixed income. Should the husband pass away, Habitat can restructure a mortgage so that the wife would be able to afford the unit on her own. The wife would be able to age in place and not have to fear losing her home.

P. Provide schematic plans and/or preliminary plans, if available. **Attached.**

Q. Period of Affordability? 25 years In perpetuity **30 years** Other

R. Who will own the project?

1. Prior to completion: Habitat for Humanity Maui, Inc.
2. After construction: Sold to low income families
3. After occupancy: Homeowner

S. Parking

How many parking spaces will be provided at the project site? Please complete the table below.

	Number of spaces	Ratio of Spaces/Units
Tenant	2	200%
Guest		
Handicap Accessible	-	-
Commercial	-	-
Total	50	

Will a fee be charged to tenants for parking in addition to rent? ☐ Yes ☒ No

T. Energy Efficiency and Green Building Practices

- ☒ Project will utilize solar water heating.
- ☒ Project will install Energy Star certified appliances throughout the project.
- ☒ Project will install low flow plumbing fixtures which conserve water.
- ☐ Project will install energy efficient light fixtures in common areas.
- ☐ Project will install air conditioning in each unit.
- ☐ Project will install ceiling fans in each unit.
- ☒ Project will install a light colored cool roof in each building.
- ☐ Project will incorporate water-efficient landscaping.
- ☒ Project will use painted rated low or no Volatile Organic Compounds (VOC).
- ☐ Project will vent range hood to the outside.

U. Accessible units

Number of Accessible units	As many as needed
Number of Adaptable units	All

V. Availability

Will all of the residential units be available to the general public? ☐ Yes ☒ No
If you answered no, please qualify which populations the units will be made available to.

Only applicants who earn between 25% -80% of the median income for Maui County will qualify. If necessary, Habitat will work with Hana residents earning up to 100% of median income.

4. **SITE INFORMATION**

- A. Current legal owner of property: **GTH Land Company, Inc.**
- B. Street Address (if applicable): **Hana Highway**

- C. Provide the following documents, if applicable:
 - 1. Preliminary title report – **will be completed before purchase**
 - 2. Location map - **attached**
 - 3. Project site map - **attached**

4. Flood insurance rate map – **Lots not completed yet, will provide once available**

5. Professional Housing Report (Residential Building Acquisition) – **N/A**

D. Year Residential Building constructed (Residential Building Acquisition) **N/A**

E. Total site land area: _____ sq.ft. 7.220 acres

F. Describe the physical characteristics of site (shape, terrain, foliage, structures, etc.)

Slightly graded vacant land.

G. If applicable, indicate if any of the following conditions apply to the infrastructure servicing the project site by checking the appropriate category:

	Yes	No	N/A
1. Road access to site adequate	<u>x</u>	_____	_____
2. Sewer capacity adequate	<u>x</u>	_____	_____
3. Electrical service adequate	<u>x</u>	_____	_____
4. Water service adequate	<u>x</u>	_____	_____
5. Aquifer serving area adequate	_____	_____	<u>x</u>
6. Storm drainage adequate	<u>x</u>	_____	_____
7. Trash/garbage service adequate	<u>x</u>	_____	_____
8. Fire service adequate	<u>x</u>	_____	_____
9. Police service adequate	<u>x</u>	_____	_____

Distance to fire station 0.5 miles

Distance to police station 0.4 miles

If any answer to the above questions is "No", on a separate attachment describe the deficiency, include the distance needed to bring the infrastructure to the project site and time to complete. Describe any actions being taken, or which must be taken to resolve any potential problems associated with any infrastructure deficiencies.

H. Schools. For new construction projects having more than 50 non-elderly housing units, provide letters from the Department of Education that note (a) the capacity of the school(s) servicing the area of the project, (b) current enrollment, and (c) whether the schools can accommodate the additional students generated by the project. **N/A**

I. Specify any off-site public improvements required for the project:

The developer is doing all off-site improvements.

J. Specify any special assessments or impact fees that are or may be required for the project:

The impact fees were determined in the 201H process. Developer will take care of all special assessment and impact fees.

- K. Land use requirements: Does the project already have the following applicable land use requirements necessary to carry out project proposed? Indicate by checking "Yes" or "No" for each item:

The project has completed the 201H process, LUC, and planning department approval.

	Yes	No		Yes	No
State Land Use	<u>X</u>	___	General Plan	<u>X</u>	___
Subdivision Ordinance	___	<u>X</u>	Zoning Ordinance	<u>X</u>	___

If any answer to any question is "No", identify on a separate attachment any actions taken toward obtaining the necessary changes. Estimate the time required for effecting these changes.

Preliminary Subdivision Ordinance was approved on September 28, 2018 (attached). Waiting on Final Approval.

	Yes	No
Does the project require a 201 H Variance?	<u>X</u>	___
If yes, has it been approved?	<u>X</u>	___
If no, when will it be approved?		

L. Site Control:

1. Date of option agreement, purchase agreement, lease agreement, development agreement, land sales contract, or other enforceable agreement:

Entered into 11 / 9 / 2018 Terminates ___/___/___

2. Provide copy of site control (ie. Option, purchase, lease, etc.) agreement. **Attached.**

3. If entity does not have site control, does entity have a valid commitment of site control?

Yes	No
<u>X</u>	___

4. If entity does not have site control or valid commitment of site control, when will site control be obtained? **N/A**

5. Include appraisal, if available, or other information regarding property value.

M. Environmental Considerations: Indicate which of the following environmental concerns are applicable to your project by checking "Yes" or "No":

	Yes	No	NA
1. Project will affect a property designated as a historic site on the State or National Registers of Historic Places.	___	<u>X</u>	___
2. Project site is located in 100-year flood zone.	___	<u>X</u>	___
3. Project site is located in a wetland.	___	<u>X</u>	___
4. Project will require a Shoreline Management Permit.	___	<u>X</u>	___
5. Project will affect endangered species or their habitats.	___	<u>X</u>	___
6. Project has manmade hazards or nuisances.	___	<u>X</u>	___

If any answer to the above questions is "Yes":

Have any of the permits or clearances related to the
aforementioned environmental concerns been obtained?

If "No", identify on a separate attachment any actions taken toward obtaining an
environmental clearance and the anticipated time to complete such actions.

Does the proposed project require an Environmental
Assessment in accordance to Chapter 343, Hawaii
Revised Statute?

X ___

If not required, provide explanation:

Is the Final Environmental Assessment for the proposed
project complete (in accordance to Chapter 343, Hawaii
Revised Statute)?

X ___

If yes, please submit one set of the completed State Final Environmental Assessment,
Finding of No Significant Impact or Environmental Impact Statement.

**Developer completed this requirement as part of the 201 H -38 HRS process, which was
approved under Resolution 17-159 (attached).**

If no, when will it be completed?

Does the proposed project require an Environmental Assessment in accordance to 24 CFR Part 58 (if federal funds are utilized)?

Is the Final Environmental Assessment for the proposed project complete (in accordance to 24 CFR Part 58)?

If yes, please submit a copy of the final Federal Environmental Assessment, Finding of No Significant Impact or Federal Environmental Impact Statement.

If no, when will it be completed?

If Affordable Housing Fund Program funds or federal funds are utilized for site acquisition, an All Appropriate Inquiry (AAI) and Phase 1 Site Assessment are required to be completed.

Will Affordable Housing Fund Program funds or federal funds be utilized for site acquisition?

Yes No

X _____

If yes, has it been completed?

X _____

If yes, attached a copy of the AAI and Phase 1 Site Assessment.

Developer completed this requirement as part of the 201 H -38 HRS process, which was approved under Resolution 17-159 (attached).

If no, when will it be completed?

- N. Community support: (If available, include letters of support from community members, other organizations, government officials, and local elected officials). **Attached.**

Does this project involve any relocation of existing tenants or homeowners?

[] Yes [X] No

If yes, please describe any proposed relocation assistance:

5. **PROJECT SCHEDULE**

Indicate the approximate dates for the following:

Milestones:	Date
Approval of Zoning Change, Community Plan Amendment, District Boundary Amendment or 201 (H) Variances	November 20, 2017
Projected Building Permit Date:	December 2019
Closing of Construction Financing:	September 2019
Construction Start Date:	February 2020
Construction Completion Date:	June 2023
Projected Occupancy Permit Date:	June 2023
Placed in service date ¹ :	June 2023
Achievement of initial occupancy for 100% of the units	December 2023

¹ If project consists of multiple buildings or phases, please list the projected date of the first building to be placed in service and the last building to be placed in service.

6. SOURCES OF FUNDS

- A. Identify all potential sources of financing for the proposed project/program in this section and Attachment "A" - Uses and Sources Budget.

	<u>Funds Committed</u>	<u>Funds Tentative</u>	<u>Total Funds</u>
1. Grants			
Affordable Housing Fund	\$ _____	<u>\$5,000,000</u>	<u>\$5,000,000</u>
HOME	\$ _____	\$ _____	\$ _____
CDBG	\$ _____	\$ _____	\$ _____
EDI-SP	\$ _____	\$ _____	\$ _____
Value of equity in property contributed	\$ _____	\$ _____	\$ _____
Cash contribution from private source, other than applicant	\$ _____	\$ _____	\$ _____
Permit or Fee Waiver(s)	\$ _____	\$ _____	\$ _____
Other: <u>Grant In Aid</u>	<u>\$ 300,000</u>	<u>\$ _____</u>	<u>\$ 300,000</u>
Other: _____	\$ _____	\$ _____	\$ _____
2. Loans			
Affordable Housing Fund	\$ _____	\$ _____	\$ _____
Local Government Loans	\$ _____	\$ _____	\$ _____
State Loans	\$ _____	\$ _____	\$ _____
HOME Loans	\$ _____	\$ _____	\$ _____
Other Federal Loans	\$ _____	\$ _____	\$ _____
Private Loans	\$ _____	\$ _____	\$ _____
Other Financing	\$ _____	\$ _____	\$ _____
3. Applicant cash contribution (other than land)	\$ _____	\$ _____	\$ _____
4. Private Foundations			
(Specify: _____)	\$ _____	\$ _____	\$ _____
(Specify: _____)	\$ _____	\$ _____	\$ _____
5. Other (Specify: <u>502 loans</u>)	\$ _____	<u>\$2,551,500</u>	<u>\$2,551,500</u>
Other (Specify: _____)	\$ _____	\$ _____	\$ _____
Other (Specify: _____)	\$ _____	\$ _____	\$ _____
Other (Specify: _____)	\$ _____	\$ _____	\$ _____
Other (Specify: _____)	\$ _____	\$ _____	\$ _____
Total Project Funds	<u>\$ 300,000</u>	<u>\$7,551,500</u>	<u>\$7,851,500</u>

- B. Explain how all of the Affordable Housing Fund Program funds allocated for this project/program will be expended within 36 months of commitment of Affordable Housing Funds Program funds?

The majority of the funds will be used for purchase and pre-development and should be expended in the first 12 months.

C. Describe fund sources unsuccessfully attempted:

None.

D. Provide Attachment "A" - Uses and Sources Budget. Use the format provided (or another comparable format prepared by your organization for your proposed project). Provide name of individual or company who prepared budget. **Attached.**

Provide Attachment "B" - Operating Pro Forma budget (rental projects only). Use the format provided (or another comparable format prepared by your organization for your proposed project). Provide name of individual or company who prepared budget. **N/A**

7. NARRATIVES

A. ANTICIPATED RESULTS

Describe the results you expect to achieve. Explain how the proposed activities are directly related to the priority housing need described and what anticipated direct and indirect results of the project will be. Include information on the length of commitment to the original target population, the continued affordability of the assisted housing in terms of monthly rent, and other program results that help illustrate the overall benefit of the project.

Habitat will provide a simple decent home for 25 families. These homes will be 2 to 4 bedroom, single family houses (size will depend on the need of the family who qualifies). These families will be coming out over-crowded conditions, substandard living conditions, or even homelessness. These families will be able to rise out of the cycle of homelessness and poverty for both the families and for their next generation.

Families with stable housing typically increase their income, their children do better in school and they have a sense of security. These homes will also have a positive economic impact on the community with more real property taxes, more income taxes and the project itself will employ many individuals.

This project will include mortgages provided with a zero percent interest loan to families making between 25% - 80% of median income (if necessary, up to 100% median income for Hana residents) and will be managed by Habitat. This increases the chances of success for the families because the monthly payments are generally lower than most rents and Habitat can continue to support the families through hard times. Habitat's Family Support Committee and all the staff of Habitat continue to be involved in the families' lives, helping with continued homeownership education, credit counseling and budgeting. Habitat also assists with any issues that may arise with the family, such as loss of employment, loss of a family member, guidance on adding onto the existing house, etc.

Every time Habitat is able to move a family from a rental into a permanent house, it frees up a rental for another family. The rental may be the opportunity for a homeless

family to finally be able to move from transitional housing and take that first step to breaking the cycle of homelessness. Those that come directly out of homelessness into a permanent house means that transitional housing is opened up for another homeless family. These families are typically in transitional housing or low income rentals. The fact that they will now have permanent housing will release housing for others who are working their way out of homelessness and substandard housing.

The project will be a positive addition to the Hana community.

B. LEVERAGING

Provide a description of all efforts to leverage or match funding from non-County sources for the subject project. Also, describe all non-County sources that will assist with project or program implementation and management (discuss sources in the order listed in Section III(A) of application). Identify whether commitments are firm or tentative and under what circumstances tentative commitments will become actualized. **Please attach commitment/reservation letters of other project/program funding sources that are in place.** Briefly describe the general terms and conditions of other resources and give their expiration date(s). For non-cash contributions, detail how dollar amounts were calculated.

We will be doing these projects with volunteer labor so all labor costs are donated. The average value of a volunteer hour in Hawaii is \$25.40 per hour.

In addition, Habitat receives donations of materials such as refrigerators, ranges, paint and hardware through partnerships with Whirlpool, Valspar, Kwickset, Ferguson and others.

Attached, is an award letter regarding a \$300,000 Grant-In-Aid grant through the State of Hawaii. This grant is to assist with construction costs for this project.

C. PROGRAM DESIGN

Describe the proposed project activities. Describe how the housing units and/or services proposed will be developed and marketed to eligible participants and what kind of screening procedure, if any, will be used. Outline the relationship of this proposal to established local housing and community development plans and strategies. For special needs housing projects, describe in detail the services that will be provided or coordinated for the property's residents. Describe any known opposition to this proposal. Give enough detail to clearly illustrate all activities associated with the proposed project or program.

Habitat for Humanity Maui has been working on Maui and Lanai for over 20 years and served over 118 families in either new builds or renovations. In addition, Habitat serves hundreds of residents each year in homeowner education and individualized credit counseling.

Applications will be accepted and the Family Selection Committee will review the initial application for completeness, including proof of low income status and proof of need. The Committee will work with the family to determine how much, if any, the family can afford to

pay for materials and if they have inadequate credit. Our Homeownership Counselor will work with the family to clear their credit report and to reduce their debt.

The Family Support Committee continues to work with the families during the process. They provide support not only in the construction process but also in connecting the family with other services that may be beneficial to them.

Habitat not only builds the project, we also are the lender and manage the mortgage. Mortgages or promissory notes are at a 0% interest and are sold with no profit. The house is sold with a 30 year 0% interest mortgage for the actual cost. There is a buy back clause and restriction for owner occupancy. A Silent Second Mortgage is also executed that includes the difference between the fair market value and the actual sales cost of the unit. This Silent Second will be in effect for the full 10 years required by the Residential Workforce Housing Ordinance. The monies received back from the mortgage and/or promissory note payments will go into the "Fund For Humanity" which is used to help more families.

8. APPLICANT EXPERIENCE

- A. Provide name, address, contact person and phone number of the organization who will develop, manage, coordinate and implement the proposed project:

Name Habitat for Humanity Maui, Inc.

Address 970 Lower Main Street

Wailuku, HI 96793

Contact Person Sherri K. Dodson, Executive Director

Phone Number (808) 242-1140

- B. Describe your capacity to carry out the proposed project. Submit relevant documents (i.e. applicable licenses to operate project, permits, etc.)

Habitat has been building homes for Maui's families for over 20 years. With each year Habitat's capacity has grown. Since 2003, Habitat has completed over 118 projects on Maui, and Lanai. Currently Habitat is building 11 houses and continuing with its Brush With Kindness program which provides for minor and major repairs to families in need (low income and living in substandard conditions).

As an affiliate of Habitat for Humanity International, Habitat Maui has the full support of hundreds of affiliates who also build multi-family projects. Habitat Maui intends to take advantage of the knowledge and expertise of larger affiliates across the nation. HfHI construction personnel are also available for consultation on all affiliate projects. As part of our Construction team, we have two contractors on our board of directors, both with many years of both commercial and residential construction. Habitat for Humanity Maui is a licensed contractor with the State of Hawaii (BC 32403).

- C. Describe the qualifications and experience of your organization and individual(s) who will

manage the development of the project and manage the rental housing project. Submit detailed description of experience and ability to implement project.

The Habitat for Humanity Maui Board of Directors include 14 business people with varied areas of expertise. Darryl Banks owns BanksPacific Construction and Adam Durante owns Sterling Development Services. The remaining board members bring experience in real estate, mortgage lending, business and social service. David Lundquist, a licensed architect and former board member is a longtime volunteer and offers his services to Habitat.

The staff is led by Sherri K. Dodson, Executive Director. Ms. Dodson has been the executive director for 15 years and was an attorney for 13 years prior to joining Habitat for Humanity Maui. Ms. Dodson has successfully lead the organization from a small nonprofit to a highly successfully affiliate building 5 to 10 houses a year. The affiliate and Ms. Dodson have won numerous awards for their work both nationally and locally. Most recently (March 2018), Ms. Dodson was recognized by the Mayor and Maui County as a "Woman of Excellence".

Max Tornai, Development Director has a bachelor's degree and over 10 years of experience in the nonprofit leadership and resource development.

As indicated the Construction team consists of Darryl Banks, Mike Gerry, Adam Durante, David Lundquist and very experiences project managers. Habitat also has thousands of volunteers many of whom are skilled workers.

The Family Selection & Support Committees consists of individuals from the mortgage industry realtors and have experience in social services, including family, housing, and elderly services. The Committees are led by Liam Ball, a licensed realtor who specializes in lower income purchases.

D. Submit resumes of key personnel involved in the development, implementation and/or management of the rental housing project. **Attached.**

E. Describe past experience relevant to the proposed housing project.

1. Complete the following information for all government (federal, state or county) funded project(s). Attach additional pages for each project, if needed:

- a. Name of Project Kahoma Residential Subdivision
- b. Project Address 100 - 141 Komo Mai St. Lahaina HI 96793
- c. Date project started June 8, 2018 Date completed in progress
- d. Total grant/loan amount \$1,983,113 Source AHF, HOME funds
- e. Provide a brief description of project: 10 single family homes located in Lahaina, HI

- a. Name of Project Kahawai Apartments
- b. Project Address 2024 Kahawai Street, Wailuku
- c. Date project started 11/2013 Date completed 3/2015
- d. Total grant/loan amount \$3,000,000 Source Affordable Housing Fund
- e. Provide a brief description of project:

Kahawai is a 16 unit condominium which was built as "infill" project. It is the first multi-family project done by a Habitat affiliate in the State of Hawaii. It was brought in on time and has resulted in a revitalization of the Happy Valley area.

- a. Name of Project Harbor Lights
- b. Project Address 111 Kahului Beach Road, Kahului, Hawaii
- c. Date project started 5/2011 Date completed 12/2014
- d. Total grant/loan amount \$400,000 Source Affordable Housing Fund
- e. Provide a brief description of project:

Purchase of foreclosed and tax lien units at Harbor Lights for renovation and resale. Nine units were purchases out foreclosure. Habitat did extensive renovations to each unit and sold them at a 0% interest mortgage. The project resulted in an increase of funds to the project in the form of maintenance fee and helped the project recover from the downturn in the economy.

- 2 Describe any problems encountered in carrying out project:

For the Kahoma Residential Subdivision in Lahaina, construction is currently ahead of schedule with no major problems to date.

For the Kahawai Apartments project, here were many obstacles such as permitting, weather and labor costs but Habitat overcame all the obstacles and completed the project on time.

3. Describe any amendments to the original proposal subsequent to receipt of government (federal, state or county) funding: None.
4. Any differences between the anticipated and actual accomplishments of the project (if, for example, a different number of housing units were built, etc.) **None.**

5. If the project is not yet complete, indicate why:

For the Kahoma Residential Subdivision project in Lahaina, Habitat Maui only received the Letter to Proceed from the County in June 2018. Other projects are complete.

F. Legal Status of Applicant (check, as applicable):

- A. Corporation: Non-profit X or For-profit ____
Partnership: General ____ or Limited ____

Joint Venture (explain)

Note: If the proposal is submitted by a partnership or joint venture, composed of two or more individual firms, then each member firm must submit all information listed on this form, and in addition answer the following:

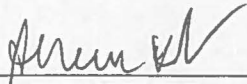
- (a) Members of Joint Venture
- (b) Date of Joint Venture Agreement
- (c) State of Registration

- (d) Does the agreement between members comprising joint venture make them jointly and severally liable? If not, state terms of agreement in this regard.
- (e) Certified copy of Partnership Agreement
- B. The Offeror, if a corporation, was organized on July 1997 under the laws of the State of Hawaii. (Attach Certified copy of Articles of Incorporation and Bylaws, or Certified copy of Partnership Agreement. Non-profit corporations are to attach a copy of the IRS tax-exempt determination). **Attached.**
- C. Have you ever failed to complete any work awarded to you? **No**. If yes, when, where and why?
- D. Has any officer or partner of your organization in the past five (5) years been involved with of some other organization that defaulted on a federally funded contract? **No**. If yes, state name of individual, name of owner and reason therefore?
- E. Has any officer or partner of your organization in the past five (5) years been involved with some other organization declared ineligible to participate in any governmental assisted contract? () Yes (X) No
- If "Yes", please explain:
- F. Has any officer or partner of your organization ever filed a petition of voluntary bankruptcy? () Yes (X) No
- L. Has there ever been filed a petition or involuntary bankruptcy against your organization, or any officer or partner of the organization? () Yes (X) No
- M. Has the organization, or any officer or partner ever made an assignment of assets for the benefit of creditors? () Yes (X) No
- N. Are there any unsatisfied judgments outstanding against the organization, or any director or partner of the organization? () Yes (X) No
- O. Has the organization been a party to any litigation within the last 5 years? () Yes (X) No

If "yes" was answered to any question 6 through 10, give a full explanation:

CERTIFICATION OF AUTHORIZED OFFICIAL

To the best of my knowledge and belief, data, attachments and exhibits in this application are true and correct. The documents have been duly authorized by the governing body of the entity and the entity will comply with all of the federal, state and county rules and regulations if Affordable Housing Fund Program funds are awarded.



SIGNATURE

Executive Director

TITLE

Sherry K. Dodson

PRINTED NAME

11-23-18

DATE

ATTACHMENT "A" - USES AND SOURCES BUDGET

<u>USE OF FUNDS</u>	<u>ACTUAL COST</u>	<u>AFFORDABLE HOUSING FUND SOURCE</u>	<u>OTHER SOURCE</u>	<u>NAME OF OTHER SOURCE</u>
1. ACQUISITION	<u>3,990,750</u>	<u>3,750,000</u>	<u>240,750</u>	<u>USDA 502</u>
1.1 LAND	<u> </u>	<u> </u>	<u> </u>	<u> </u>
1.2 EXISTING STRUCTURES	<u> </u>	<u> </u>	<u> </u>	<u> </u>
1.3 OTHER	<u>125,000</u>	<u> </u>	<u>125,000</u>	<u>USDA 502</u>
2. PREDEVELOPMENT	<u> </u>	<u> </u>	<u> </u>	<u> </u>
2.1 ARCHITECT FEE DESIGN	<u>75,000</u>	<u> </u>	<u>75,000</u>	<u>USDA 502</u>
2.2 ARCHITECT FEE SUPERVISE	<u> </u>	<u> </u>	<u> </u>	<u> </u>
2.3 ENGINEERING FEES	<u> </u>	<u> </u>	<u> </u>	<u> </u>
2.4 COST ESTIMATES	<u> </u>	<u> </u>	<u> </u>	<u> </u>
2.5 OTHER	<u>15,000</u>	<u> </u>	<u>15,000</u>	<u>USDA 502</u>
3. SITE WORK	<u> </u>	<u> </u>	<u> </u>	<u> </u>
3.1 DEMOLITION	<u> </u>	<u> </u>	<u> </u>	<u> </u>
3.2 SITE CLEARANCE	<u> </u>	<u> </u>	<u> </u>	<u> </u>
4. CONSTRUCTION/REHAB.	<u> </u>	<u> </u>	<u> </u>	<u> </u>
4.1 OFF-SITE INFRASTRUCTURE	<u> </u>	<u> </u>	<u> </u>	<u> </u>
4.2 ON-SITE IMPROVEMENT	<u> </u>	<u> </u>	<u> </u>	<u> </u>
4.3 NEW BUILDING	<u>3,032,250</u>	<u>1,050,000</u>	<u>1,982,250</u>	<u>GIA, Krambo</u>
4.4 REHABILITATION	<u> </u>	<u> </u>	<u> </u>	<u> </u>
5. DEVELOPER'S FEES	<u>415,000</u>	<u>200,000</u>	<u>215,000</u>	<u>USDA 502</u>
6. OTHER RELATED COSTS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
6.1 BLDG. PERMITS & FEES	<u>20,000</u>	<u> </u>	<u>20,000</u>	<u>USDA 502</u>
6.2 APPRAISAL	<u>10,000</u>	<u> </u>	<u>10,000</u>	<u>USDA 502</u>
6.3 GEOTECHNICAL	<u> </u>	<u> </u>	<u> </u>	<u> </u>
6.4 ENV. CONSULTANT	<u> </u>	<u> </u>	<u> </u>	<u> </u>
6.5 RECORDATION FEES	<u>8,000</u>	<u> </u>	<u>8,000</u>	<u>USDA 502</u>
6.6 ATTORNEYS FEES	<u>7,500</u>	<u> </u>	<u>7,500</u>	<u>USDA 502</u>
6.7 IMPACT FEES	<u> </u>	<u> </u>	<u> </u>	<u> </u>
6.8 PROJECT AUDIT	<u>5,000</u>	<u> </u>	<u>5,000</u>	<u>USDA 502</u>
6.9 OTHER	<u> </u>	<u> </u>	<u> </u>	<u> </u>
7. INTERIM COSTS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
7.1 CONST. INSURANCE	<u>5,000</u>	<u> </u>	<u>5,000</u>	<u>USDA 502</u>
7.2 CONST. INTEREST	<u> </u>	<u> </u>	<u> </u>	<u> </u>
7.3 CONST. LOAN ORIG. FEE	<u> </u>	<u> </u>	<u> </u>	<u> </u>
8. PERMANENT FINANCING FEES	<u> </u>	<u> </u>	<u> </u>	<u> </u>
8.1 CREDIT REPORT	<u> </u>	<u> </u>	<u> </u>	<u> </u>
8.2 PERM. LOAN ORIG. FEE	<u> </u>	<u> </u>	<u> </u>	<u> </u>

8.3 TITLE & RECORDING	_____	_____	_____
9. TENANT RELOCATION	_____	_____	_____
10. PROJECT RESERVES	_____	_____	_____
10.1 LEASE-UP RESERVE	_____	_____	_____
10.2 OPERATING RESERVE	_____	_____	_____
11. PROJECT ADMIN/MGMT.	_____	_____	_____
11.1 AFFIRMATIVE MKT.	<u>3,000</u>	<u>3,000</u>	<u>USDA 502</u>
11.2 MANAGEMENT	<u>125,000</u>	<u>125,000</u>	<u>USDA 502</u>
11.3 TAXES	_____	_____	_____
11.4 INSURANCE	<u>15,000</u>	<u>15,000</u>	<u>USDA 502</u>
12. TOTAL USES (DEVELOPMENT)	<u>\$7,851,500</u>		
13. TOTAL SOURCES	<u>\$7,851,500</u>	<u>\$ 5,000,000</u>	
14. DIFFERENCE	<u>\$2,851,500</u>		

Totals For All Funding Sources:

GIA = Grant In Aid = \$300,000 (confirmed)

USDA 502 Loans = \$1,801,500 (pending)

Krambo = 750,000 (sale of 4 mortgages through Krambo Corp, pending)

TOTAL = \$2,851,500

LAND USE COMMITTEE

Council of the County of Maui

MINUTES

October 18, 2017

Helene Hall, Social Hall

CONVENE: 12:05 p.m.

PRESENT: Councilmember Robert Carroll, Chair
Councilmember Alike Atay
Councilmember Elle Cochran
Councilmember Stacy Crivello
Councilmember Don S. Guzman (in 12:20 p.m.)
Councilmember Kelly T. King
Councilmember Yuki Lei K. Sugimura
Councilmember Mike White

EXCUSED: Councilmember Riki Hokama, Vice-Chair

STAFF: Carla Nakata, Legislative Attorney
Alec Wagner, Legislative Analyst
Clarita Balala, Committee Secretary

Dawn Lono, Council Aide, Hana Council Office
Morris Haole, Executive Assistant to Councilmember Robert Carroll

ADMIN.: Jeffrey T. Ueoka, Deputy Corporation Counsel, Department of the Corporation Counsel
Carol Reimann, Director, Department of Housing and Human Concerns
Linda Munsell, Assistant Housing Administrator, Department of Housing and Human Concerns
Michele McLean, Deputy Director, Department of Planning
Paul Fasi, Planner, Department of Planning
Rowena Dagdag-Andaya, Deputy Director, Department of Public Works

OTHERS: Creg Gumanas
Matt Keiley
Gary Passon, President, Habitat for Humanity
Otto Horen
Christine Oliveira
Jessie Oliveira
Rick Rutiz
Wesley Kamai
Moke Bergau
Barbara Ann Benton

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Cynthia Johnson
James Heilman
Laurie Smith-Kaukini
Pat Villiarimo-Cockett
Hatota Tehiva
Lea Kalalau
Clayton Carvalho, Jr.
Ward Mardfin
Mavis Medeiros
Claire Kamalu Carroll
Curtis Bekkum
Dawn Lono
Max Tornai, Development Director, Habitat for Humanity Maui
Angela Blakley
Miki Bekkum
Geraldine Carroll

Jordan Hart, Chris Hart & Partners, Inc.
Brett Davis, Chris Hart & Partners, Inc.
Gabe Hoeffken, GTH Land Company, LLC
Tom Hoeffken, Landowner
(16) additional attendees

CHAIR CARROLL: . . . *(gavel)*. . . This Land Use Committee meeting of October 18th will come to order. I'm Councilmember Robert Carroll, Chair of the Land Use Committee, and we are meeting in Helene Hall today. May I first request that anybody has anything, cell phones, or anything else that makes noise, please turn it off or put it on the silent mode. We have with us Councilmembers this morning, Mr. Riki Hokama, the Vice-Chair of the Committee is excused; to my right we have Alika Atay; Yuki Lei Sugimura; oh, excuse me, Kelly King; Council Chair, Mr. White; from Molokai, Stacy Crivello; Elle Cochran. Okay. We've got everybody. From the Department of Corporation Counsel, we have Jeffrey Ueoka.

MR. UEOKA: Good afternoon, Chair.

CHAIR CARROLL: From our Planning Department...we have Carol Reimann, Director of Housing and Human Concerns. From Planning, we have Michele McLean, Deputy Planning Director. From Public Works, we have Rowena Dagdag Andaya, Department of Public Works, and we have Paul Fasi, Department of Planning. I'd like to thank the Department Heads and all those for attending today and coming to Hana. We also have Committee Secretary, Clarita Balala; our Legislative Analyst, Alec Wagner; our Legislative Attorney, Carla Nakata. Applicants' representatives we have Jordan Hart and Brett Davis of Chris Hart & Partners, Inc.; Dave Hoeffken, Developer representative. We have with us this afternoon, LU-2(2), Affordable Housing Projects, Chapter 201H, Hawaii Revised Statutes, Independent Development of 100 Percent

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Affordable Hana Housing Project; LU-46, District Boundary Amendment for 4356 Hana Highway, Hana. Because we are meeting in Helene Hall today, we don't have the technology. There will be no remote testimony. For those giving testimony today, you'll be allowed three minutes to testify on any agenda item. Pursuant to the Rules of the Council, when testifying, please state your name and any organization you may be representing. We can begin public testimony.

MR. WAGNER: Our first testifier is Creg Gumanas, followed by Matt Keiley.

. . .BEGIN PUBLIC TESTIMONY. . .

MR. GUMANAS: My name is Creg Gumanas and I am for the project that will benefit not just myself but the Hana community. That's all.

CHAIR CARROLL: Thank you.

MR. WAGNER: Testifying on item LU-2(2) is Matt Keiley.

MR. KEILEY: Good afternoon, Matt Keiley. I live adjacent to this project across the river above the Healani Project and Creg's my co-worker. He's a kid that could really use a home. He's living with his in-laws now in the Healani Project, but it's still crowded within that household. So I believe it's a great need here in Hana and throughout the whole County for affordable housing. Thank you very much.

CHAIR CARROLL: Proceed.

MR. WAGNER: Our next testifier is Gary Passon testifying on agenda item LU-2(2), followed by Otto Horen testifying on agenda item LU-2(2).

MR. PASSON: Good afternoon, Council. Good afternoon, Mr. Carroll. I'm here representing both Habitat for Humanity statewide, the organization, and I'm also here as an individual as a homeowner in Hana. And I just want to let you know that the statewide organization, as well as the local Maui affiliate, is very much behind this project and we recognize some of the greatest needs for affordable housing is in the rural communities. And this project, I think, is a unique opportunity to apply some of the capabilities and support of the Habitat international, statewide, and local organization to supporting a fresh set of affordable homes in this particular community. So we ask for your support today and we feel that this is a unique opportunity for Hana and one that we shouldn't let get away. Thank you.

CHAIR CARROLL: If any of the Members have any further questions or clarifications, instead of me saying so every time, just raise your hand or yell. Thank you.

COUNCILMEMBER KING: I have a quick question, Chair.

CHAIR CARROLL: Ms. King.

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COUNCILMEMBER KING: Thank you. I don't know if this is working. Thanks for being here, Mr. Shulenburg [sic]. I was just gonna ask you if you have...if Habitat has ever worked with the Hana School organization, these kids out here that are in...have this construction program where...the instructor is right behind you, Rick Rutiz. So I just wanted to introduce you two and encourage you to work together because they do amazing work. I know they don't want to be in charge of anything, but they're willing to help.

MR. PASSON: Well, interesting you would bring that up. Rick, for a while, was on the board of the local Hawaii Habitat when I was Vice-Chair of the local Hawaii Habitat so we've worked together for a while. And the local, Sherri Dodson, who's the current Executive Director of Habitat, has been in a number of conversations with Rick about how to utilize the opportunity here in Hana to bring together the community to help build the houses, but really be able to focus with the high school students. Give them opportunities to learn new skills, and hopefully, even help their families build houses in Hana.

COUNCILMEMBER KING: Great. Thank you very much and I look forward to the second book.

MR. WAGNER: The next testifier is Otto Horen testifying on agenda item LU-2(2).

MR. HOREN: Good afternoon. Thank you, guys, for all coming out here today. My name is Otto. I've lived here since the mid-80s and raised my family here. I have a couple of businesses in here and I've worked with a lot of local people here. That Hana is kind of a unique place that everybody here that has lived here for a long time is land rich, but they can't subdivide their land so they don't have a place to live and they can't build on their own property. I feel that we need to do whatever we can for people who are living here to be able to afford a house. When...I talked to our guys a lot and when you own a house, it opens up a lot of doors. You can actually borrow money on your house, you have write-offs for your taxes. It does nothing but help the community and for quite a few years there's not been enough housing in this community. I'm hopeful that you guys will work with the developer and see this through because I realize there's so many obstacles that are put in front of them nowadays that this may be one of the last opportunities that Hana has for an affordable housing project. I feel that if this doesn't go through that the next person is gonna go why would I want to put myself through this to try to do affordable housing. And like I said, there's many people in Hana that deserve this and should have them.

CHAIR CARROLL: Please speak up.

MR. HOREN: What? Thank you.

CHAIR CARROLL: And when you do come forward, you really need to speak loudly into the mic so not only the Members can hear but everybody can hear. Proceed.

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MR. WAGNER: Our next testifier is Christine Oliveira testifying on agenda item LU-2(2), followed by Jessie Oliveira testifying on LU-2(2).

MS. OLIVEIRA: Aloha kakou. My name is Christine Oliveira and I live with a big family in a small house and I support this affordable housing.

CHAIR CARROLL: Thank you.

MR. OLIVEIRA: Aloha. My name is Jessie Oliveira. I live in a household of 11 people, same house as her, in a two-bedroom house, which is one bedroom that we blocked off to make it for more people. As much as everybody here that's looking for a house to rent or own, everybody knows it's too expensive. I support this. Thanks.

CHAIR CARROLL: Thank you.

MR. WAGNER: Our next testifier is Rick Rutiz testifying on agenda item LU-2(20), followed by Wesley Kamai.

MR. RUTIZ: Aloha and thank you for coming out. These two guys or just looking around the room, a lot of these were my students and I saw them coming up and their families. Forty some years ago tutu had the opportunity to buy a house in a subdivision or somewhere along the highway and that was great and they raised their kids and then their kids had kids and those kids had nowhere to go. So they moved in and then they had their kids. So they moved in and you know what we do with Ma Ka Hana. The kids they build for their kupuna and they give them bedrooms to try to get rid of this overcrowding health, you know. It's...the ohana is great. Don't let me, you know, say anything negative like that but the fact that they're on top of each other, whole families sleeping on the floor, it just has to get better. So I know there's problems. I know that nothing is easy. The finances, the permitting, everything is difficult. The laws are difficult but I'm really pleading with you guys to try and find a way with your wisdom and your manao to get past everything and give us a chance at creating housing that these kids, these younger people can afford and they can have their families. And it's, you know, I guess I'm on the ground level. I see it every day, all day long, this dynamic here. And in other places it would be homelessness because they'd be out in the streets. Fortunately in Hana, we have the family, we have the ohana. No one's on the streets but they're bundled up in way too crowded in these houses. So again, anything we can do to help that, I plea with you to do your best at that. Mahalo.

MR. KAMAI: Aloha. My name is Wesley Kamai. I support this project like saying...like Rick was saying there's too many families that and very small, little houses. Like I know this one family was...had 18 in their household and the kids was like sleeping on the floor. Every day they gotta step over each other for get up and go to school. So, I mean, this project if can move forward, that will be awesome. Thank you.

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MR. WAGNER: Next testifier is Moke Bergau, followed by Barbara Ann Benton.

MR. BERGAU: Hi. Aloha. My name is Moke Bergau. I am from Lower Nahiku. And I do realize the emotional stress that's on families in Hana. I born and raised here. And it's kind of like...it's not really a happy setting. It's not really a safe setting where we have families in one household of 20. You have heard the amount...the situation what is. And it's being here in Hana, you know, it's not a place...comfortable place to be in. And I really do support this affordable housing project for people in Hana and what it does it relieves pressure on the household and it really does. And I do support the contractor or developer's effort to do the right thing for Hana. And by doing so, by involving the resources that we have in Hana to fulfill this project according to the Hana needs, not what the law dictates. Please, if you can, try your best. Try to overlook those factors of the law side and also keep in consideration of the welfare of Hana. Mahalo.

MR. WAGNER: Next testifier is Barbara Ann Benton testifying on agenda item LU-2(2), followed by Cynthia Johnson testifying on agenda item LU-2(2).

MS. BENTON: Aloha, everybody. Thank you for coming today. My first question was why twelve o'clock at lunch, but I can see the support we have today. It's a good one. So I, too, support this project because I've seen lot of kids and lot of generations living with their parents and grandparents and I think it's about time that we have 100 percent affordable housing for Hana and to fight whatever way we need to make it possible. So I support this and it will bring up the concerns we have later on, but I thank you folks for coming and supporting this because it's about time we get something like this in Hana. We have waited for so long and Hawaiian Homestead not even a budge in Hana so this is a blessing. So I support this project. Thank you.

MS. JOHNSON: Hello. My name is Cynthia Johnson and I'm here because my co-workers cannot be here. They are working today. I have three workers that work just at the desk at the spa, Pulama Helekahi, there's Michele Ing, and Kauka Morton, and others that are all single mothers that are living with their parents. And they support this project and I told them I'd come up and speak for them as well. Thank you so much.

MR. WAGNER: Next testifier is James Heilman testifying on agenda item LU-2(2), followed by Laurie Smith-Kaukini testifying on agenda item LU-2(2).

MR. HEILMAN: Hi. Aloha. My name is Jim Heilman. I've lived here for 35 or so years. I'm a carpenter and a builder. I was heavily involved in the new subdivision that they had. We call it the new subdivision because of the old one. And it was just so important for all of those folks and I got to feel it all and have the honor of working with everybody there. We need affordable housing so bad. We talk around now about what our mortgages are when we talk to our friends and things like that and .affordable housing is the only way that that can happen. And in our community, you know, we have our line about keeping it Hawaiian. There's no better way to keep it Hawaiian than to have affordable housing because that will keep our kids here and

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that's what we need the most. And it keeps everything good and actually grounds everybody. Because I build I know that feeling and can see the smiles on people's faces at the end of the day when they have their first house and it's just that important. Thank you.

MS. SMITH-KAUKINI: Aloha, everybody. My name is Laurie Kaukini, a native of Hana and a new homeowner. Starting my family in my 20s owning a home was not on my bucket list. I just wanted to get out of my parents' home so I rented. The house we rented was put on the market, no houses to rent in Hana that my husband and my income could afford, so three kids and ten years later we were back with my parents. Twenty years later three families, thirteen in total, are now living with my parents. I love my ohana, but really needed to get out of the parents' home, as well as their hair and their pockets. In the meantime, my kids grew up, graduated, and all I could think about was what kind of parents were we. We couldn't provide a home for them. No bedrooms, sleep in the living room, and makeshift shelves as dressers around the room. Might as well be homeless under a bridge. My family does not own land so we had to make the best of what we had. When self-help housing came along this was a chance for us to have that dream. We were blessed and fortunate to qualify and happy to say almost five years now have a place to call home. But now, the same cycle continues for my kids. They have families and they now need a house or land to call home. I know now how my parents felt throughout those thirty-some years. I don't want my kids to have to wait 'till they are grandparents like us to own a home. I want them to enjoy and live and raise their babies in their own home working, productive, responsible people building their own future and able to continue to keep our Hana community thriving. To practice the great and special traditions and culture that nowhere else in the world can call home. Please, I implore you to support this project as well as others that come along in Hana for future generations. We need housing as much as you need communities to continue to do what you do for your jobs, for your livelihood, for your families. You have an opportunity to keep at least 25 families from homelessness. What a powerful deed indeed. I believe in your hearts...your hearts are in the right place and if you place your families in the highest value and standards --

MR. WAGNER: Two and a half minutes.

MS. SMITH-KAUKINI: --you truly understand what community is and that you will do the right thing and what is best to build great communities and the outcome we all can benefit. I appreciate all of you coming all this way to listen to our community. I pray for safe travels as you return to the comfort of your homes and your loved ones. Mahalo.

MR. WAGNER: Our next testifier is Pat Villiarimo-Cockett testifying on agenda item LU-2(2), followed by Hatota Hevita [sic] testifying on LU-2(2).

MS. VILLIARIMO-COCKETT: Aloha. Thank you for all coming. It would have been nicer if you came at night. I agree with Barbie, twelve o'clock is kinda hard for a lot of people

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to get here. I am one of those mothers who...I was one of the lucky ones to be able to buy my own home because I had a family member...my husband's family member who was selling it so I was able to buy it. That was quite a few years ago about 25, 30. Anyway, before that I was...my husband and I we at one time lived in a trailer without a toilet and a washer on an empty lot in the same area where my house is now. So I've been through the not having a home here in Hana. I lived with my mother-in-law for six months when I was younger...when my children were younger so I've been through it. I'm a mother of seven children. I raised them in that home that I own now. As they grew, most of them moved off to the mainland. One son came home because he loved Hana. He wanted to live in Hana. He wanted to raise his family in Hana. He was a good community member. He lived in a home that was rented rather expensively and when it went...the owners decided to turn it into a vacation rental, they had basically six months to find another place to live. At the time I had eight of my grown, well, grown children and their families in my home already so basically I lost them to Molokai and this community lost him and his wife to Molokai. So I don't get to see my grandchildren very often and although I'm lucky that I have one grandchildren still in my home, I know that my daughter-in-law would love not to be living with her mother-in-law. I mean most women like to be on their own, not living with their mother-in-law. So, you know, please support this and understand if families can't find places to live in this home, good people leave for other opportunities.

MR. WAGNER: The next testifier is Hatota Hevita [sic] testifying on agenda item LU-2(2), followed by Lea Kalalau testifying on agenda item LU-2(2).

MR. TEHIVA: My name is . . . (inaudible) . . . Hatota Tehiva instead of Tevita. But anyway, thank you. A few years ago I was working with the youth of Hana in a MEO program and two of them has testified earlier. They've grown and they stay with their family and they getting bigger. Like it says, it takes a village to raise a child and how can we, the community, raise a child if there's no home. So I plead you, Council of the Maui County, to continue to do this to support our people here in Hana. And some of our families they surprised that they had a meeting today and they was saying that can you speak of our behalf that we want to be here in this meeting so they can hear our manao, too, as well. But we...they gotta work. So I mean in a future references is that okay to have in the evenings so most of our people in Hana they come and testify and support this program and sustain you in your calling in the County as well. And some of the families that I have they rent home from owners that those owners went to the mainland for jobs to work to support for their home to here. But a lot of our families live in those homes but now they coming back to Hana where they from and all those people that renting from them they moving out. So, and hopefully, this project will come as soon as possible before those things happen. We support you guys in your callings, all you guys do for us, and we continually supporting you guys and sustaining you guys in your callings. And from behalf of my family to all of you, mahalo for supporting this project.

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MR. WAGNER: The next testifier is Lea Kalalau testifying on agenda item LU-2(2), followed by Clayton Carvalho, Jr. testifying on agenda item LU-2(2).

MS. KALALAU: Aloha. My name is Lea Kalalau. I first arrived here at this meeting just wanting to sit down more so like a spectator wanting to hear what was being said. But as they came up and started to speak, a lot of them are really speaking about my situation. And with this opportunity that we have, it's not just an opportunity, for us literally this is going to be our like dream come true. Growing up as a child I remember always wanting my own house, yeah, but the the thought of moving out of Hana was never there. Currently, I live with my husband's parents. We live in a three-bedroom house. They extended the patio and the garage for my family. I have seven children, three of them who have already graduated. I have four more to go. One of my daughter's is legally blind so I don't anticipate her going off and venturing on her own soon. I see her staying with me for, you know, years to come, but was just moved to stand up and say that this would be a dream come true for a lot of our families here. We don't want to move out of our community. We were taught has children to give back to our community, to our aina, to our ohana, and it would be hard doing it somewhere else. So if this project...with this project coming a reality would be so wonderful. I know me and my family would truly be blessed and would benefit from that. So thank you.

MR. WAGNER: The next testifier is Clayton Carvalho, Jr. testifying on agenda item LU-2(2), followed by Ward Mardfin testifying on agenda item LU-2(2).

MR. CARVALHO: Good afternoon, Council. Nice to see you here. I'm the Ranch Operations Manager at Hana Ranch. I'm also been on the Hana Advisory Committee for four years as Vice-Chairman...as a Chairman and both are tied to what I testifying about today. I've...born and raised here. Lived here 30 of my 32 years of life and I wish I could say I was surrounded by people my age, but I'm not. There's a reason for that is there is a very, very big need for housing right now. If I looked at anyone from ages 18 to 35 who owned their own homes, I could count the amount of people on my own one hand and I fully know...like I know everyone in this community. A home to me is not something you were given and handed down from generations...a few generations down. A lot of these houses are rundown. As you know, Hana Ranch gifted these lots to residents 40 years ago. So these homes in the subdivision in Hana Ag Park in Kaeleku are over 40 years old and a lot of 'em have, as has already have been testified, have 10 to 15 people in each house. Without the subdivision in Kaeleku at Hana Ag Park I would fear for what this town would look like right now. There is a need for all types of professional positions, occupations, vocational trades, in Hana. And there are very few people from 18 to 35 who fulfill that need and it's directly tied to housing. They don't have a place to live. They have families. They're moving out. They're going to college and they're not coming back. I'm one of the very few who went to college and came back. Holding my position at Hana Ranch, I have a decent salary. I can tell you I don't own my own home. My whole staff we have there at the ranch, none of them own their own home. They're all renting. I'm working at Hana Advisory Committee, I can tell you I can go on to Airbnb and VRBO and find a hundred homes

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each that are for rent right now by people who live here part-time and I know that's not your main issue that you guys are worrying about, but it's something that...part of the Advisory Committee we've been concerned about. The cap is 40 lots, as you know, for B&Bs and short-term rental houses. At some point, the entire community is gonna be squeezed out and it's going to be squeezed out, sorry. . .

MR. WAGNER: Two and a half minutes.

MR. CARVALHO: Okay. Sorry. I feel like I hold a few positions that can explain to you how dire the need is for housing and 25 homes may not seem like a lot, but if it holds an electrician, a professional electrician or more, or more firefighters that can live here full-time and stay here, police officers who can stay here, emergency medical technicians who can live and stay here, then we can rejuvenate this town and skew it back to a younger generation, especially to keep this town going for generations to come. Thank you.

MR. WAGNER: Next testifier is Ward Mardfin, followed by Claire Kamalu Carroll testifying on agenda item LU-2(2).

MR. MARDFIN: Aloha to all my friends on the Council and from the Planning Department that we have known for many years, aloha. Thank you for coming out to Hana. I first came to Hana in 1961. I spent between '61 and '65 I spent several years here kind of off and on, but it became my home. But I did my...after the service I did my studying and work on Oahu. I was a college professor of economics. And I came home to Hana two, three times a year, but I was renting in Oahu and there were loads of rental houses. So I had a place for \$120 a month for about 20 years. The owner lived upstairs and he was the only person I won't teach economics to 'cause he should have raised the rent. But I decided to retire back here and I was fortunate to buy a place about a stone throw from where Councilman Carroll lives in Wakiu. That was the subdivision created by the State, well, the Territory, excuse me, back in 1948 shortly after the tidal wave. And it's been sold and sold and sold and it wasn't cheap to buy but I knew that I had to get in or I wouldn't be able to get in. The subdivision was built, Clayton said 40 years ago, I'm assuming that's about right. This is an opportunity. There were few opportunities to do this sort of thing here in Hana. I was on the Hana Advisory Committee to the Maui Planning Commission back in 2015 and the applicant came in looking for a chance to do mining and extraction on his land to create crushed gravel. This by the way is at the end of Wakiu, near very close to where Robert and I...Doctor...Councilman Carroll and I live. Has been no problems, no wishes, as far as I'm concerned. This is a real opportunity we shouldn't pass up. At the time, he was applying for one thing, but he talked about this plan for affordable housing and we looked at it. The one thing I wish is that this were under a Hana...was under a community land trust, but I see from the report that he tried to find that and couldn't find a community land trust he could work with at this time.

MR. WAGNER: Two and a half minutes.

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- MR. MARDFIN: I urge you to approve this project so that we can use local people so the money gets circulated throughout the Hana economy. By local people I mean Hana people, no offense to you folks from the other side. And that can keep...help keep costs down and keep it affordable. And I urge you to approve this request. Mahalo.
- MR. WAGNER: Our next testifier is Claire Kamalu Carroll testifying on agenda item LU-2(2), followed by Mathis [sic] Medeiros testifying on agenda item LU-2(2).
- MS. CARROLL: Aloha. Good afternoon. I'm here today to support this affordable housing project for our people, our children, and our future generations. If you have not heard from the past testifiers, we are here and here to stay. If we don't get something like this passed, it is going to be over congested with multiple families. I think I counted like 24 in one household, three-bedroom house. We shouldn't be forced out of this town. This housing project as you can see that our town is for these housing projects because it's everybody's children who is forced to live with their kupunas from generation to generation. I might say that I'm actually one of the fortunate ones who was...I got my house. I built the house in 1996 just before the market exploded. I encourage our younger generation don't be afraid. You can do it. We can do it as a community and we need all of your support to help us achieve in keeping Hana, Hana, and Hana in Hana with all of these younger generations behind me. Thank you.
- MR. WAGNER: Our next testifier is Mavis Medeiros testifying on agenda item LU-2(2), followed by Curtis Bekkum testifying on agenda item LU-2(2).
- MS. MEDEIROS: Aloha. My name is Mavis. Thank you for coming out to Hana. I just wanted to say I'm not for or against. We have enough housing. But I do, but I don't know. I'm here because I just want to make sure that if there's a way you guys can make sure that it stays affordable for the people. Like the median income I hear it's, you know, it considers all of the wealthy people in Hana down to the poor people and they arrive at the median income. Well, I don't know too many people that make 65,000 a year or whatever the median income is. So, and I hope that the price doesn't keep going up and up and up because at the last meeting I heard that they didn't include the cost of the septic, they didn't include the cost of all kinds of stuff. So, I'm just saying if you guys can make sure it kinda stays affordable for the people of Hana, that would be awesome. Thank you.
- MR. WAGNER: The next testifier is Curtis Bekkum testifying on agenda item LU-2(2).
- MR. BEKKUM: Good afternoon. I'm Dr. Curtis Bekkum. I moved here four years ago from Tokyo to practice medicine here and take care of the people of Hana, which I've done tirelessly for a long time. What I have noticed since I've been here in Hana is that we're having three or four, even four generations living under the same house. My rent in Tokyo was cheaper than here and I had actually a bigger house. It's really disheartening when I see all these people here that are low income they can't even afford to move out of their house or move into an affordable house. The congestion of multiple generations living as a family in the same house is appalling. We need

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affordable housing here. It's not just for me. It's for everyone here. We need it. We needed it ten years ago. We needed it yesterday. We don't need to wait any longer. So as an outside observer that's just my take on it. I've been in this community. I've seen what the effect of this has had on the community here. People cannot afford to pay rent. People cannot even afford to pay \$11 for a gallon of milk. We need affordable housing for these people. Thank you.

MR. WAGNER: Our next testifier is Dawn Lono testifying on agenda item LU-2(2).

MS. LONO: Good afternoon. Dawn Lono. I just wanted to say I've been in this community for almost 40 years and I've served in many capacities here from construction project management to real estate to property management, serving all of you, and over those years there have been many projects that have come up for affordable housing. One was the Niumalu project. I don't know if you remember that project, Bob. The Niu Malu Subdivision donated by Hana Ranch and that project got shot down. And then there was the 100 acres that was donated by Hana Ranch up above of the fire station. After years and years of contemplating and going back and forth and looking into the project, that project got shot down. Then we've been looking at, you know, the other Hana Ranch project up above the old stable. Still in discussion, but that's only in discussion and that means that project is quite a few years down the line. I mean even if they decided to do it today, you're still five years from anything. The last affordable housing was five years ago, 14 houses self-help. Before that it was in 1970's that that Hana Ranch Subdivision was built. In between those two there has been no affordable housing in this community and the cost of land and homes here has just risen and risen and risen and it's far beyond what the normal, everyday, resident can afford. I understand that no project is perfect and there are going to be things that need to be looked at and need to be tweaked and adjusted, but the urgency for our community as you can see here and this is...I was very moved by the last meeting when there were over 75 people here. And you see these people are here with their families, with their babies, you know, they need homes and we need to find a way to make it happen. And I don't how that is but I know that we have a developer here who is willing and who we would like to try to work with to make it happen. So in any way that we can do that. The urgency is here. We cannot wait anymore.

MR. WAGNER: Two and a half minutes.

MS. LONO: We're losing our families. We're losing our residents and we're losing our professionals. Like you got a doctor here who can't afford to buy a home and is paying outrageous rent. You try to find a rental here right now—good luck! In fact I had a lady, Councilmember Cochran was with me, I had a lady stop me down at the end of the road today and say, Auntie Dawn, did you find any house for me yet? Are there any rentals available? And I said, no, honey, I'm sorry. I don't know of anything right now and she actually said to me --

MR. WAGNER: Three minutes.

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MS. LONO: --if I don't find a place pretty soon, I'm going to have to end my life. I mean that's a radical statement to make and I'm sorry to say that in front of you all, but she said that to me and that concerned me greatly. And I said, hey, Shelly, you come and see me tomorrow at my office. We'll talk story, you know, I can't talk to you right now. So that just shows you the desperation. So I just wanted to share with you. Thank you all for being here and listening. We are very grateful. Mahalo.

MR. WAGNER: Chair, no one else is here signed up to testify.

CHAIR CARROLL: Is there anyone in the audience that has not given testimony that wishes to give testimony at this time? If you do, please come forward and you can sign up afterwards.

MR. TORNAI: Aloha, Council. My name is Max Tornai. I'm the Development Director for Habitat for Humanity and I just also wanted to reiterate and support Gary Passon, our former board member, now the board member of Habitat Statewide for Hawaii. Gabe, we are in full support of this project. To have a developer that's willing to do 100 percent affordable housing in an area that the need is so critical you're almost out of...you're beyond the crisis state. What we say a lot of times is in these overcrowded situations it is hidden homeless. People are in situations that aren't healthy, aren't stable, and you have I think literally 100 percent of the testifiers here in support of this project. Maybe one testifier that said not for or against, I just want to make sure that it stays affordable. Habitat is in full support of this project. We serve residents that make between 20 percent and 80 percent of the median income of Maui County and we're here to help. You know, we're on the frontlines and we're hearing these traumatic stories from people that are living them right now. We're also...we're on the frontlines as well. We get phone calls all the time. You heard a little bit of panic in the voices here. We here it almost every day. So I urge you to find a way to make this project a reality. We're here to help. I have people that are calling that need the housing. I have people calling from Hana that want to help volunteer to help build these. We have the volunteers, we have the capacity, and we have the need. We just need to make it a reality. So thank you.

CHAIR CARROLL: Could you come back to the microphone, please?

COUNCILMEMBER WHITE: Thank you for your passion. Hana seems to me to be a perfect community to have a family self-help kind of project. How much does your...how much do your practices allow for the families to be involved in building their own home?

MR. TORNAI: So Habitat for Humanity has a requirement that all of our partner families take on a couple of responsibilities. The major one of those is for a new house to supply 500 hours of sweat equity. So that not only teaches the homeowners how their house is being built and can then speak knowledgeably to contractors if something down the line happens, but it gives that sense of...that sense of responsibility. Your sweat has gone into building that house. When we do a key swap ceremony or a

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house blessing after the house has been built, they have...our homeowners have so much pride. You know, their sobbing that this is finally a reality so 500 hours of sweat equity is our requirement. You see a lot of our partner families not only far exceed that to build their own house, but then end up volunteering on their neighbors houses or other places in the community. It's actually an amazing program, but one of the other requirements is financial and homeowner education is a course that's HUD certified and that sets our partner families up to be financially and economically self-sufficient in the long term. So I hope that answers your question.

COUNCILMEMBER WHITE: Yeah, it does. That's very encouraging because sweat equity is something that makes all of us feel really good.

MR. TORNAL: Right.

COUNCILMEMBER WHITE: I have scars on my left hand because of my right hand not being all that accurate, but I built my...I built my own first home and hired someone to do the foundation, the plumbing, and electrical, and my wife and I and my friends and family did the rest, and my first home cost me \$26,000...a long time ago. But anyway I love the idea of sweat equity and I think this is a perfect project bringing together the developers to put the land together and the infrastructure, and you guys to come in and help the families to pull it off is just an awesome mix. Thank you.

MR. TORNAL: I can only agree with you.

MR. ATAY: Chair?

CHAIR CARROLL: Thank you. Ms. Cochran.

COUNCILMEMBER COCHRAN: Thank you.

MR. TORNAL: Hi.

COUNCILMEMBER COCHRAN: Hi, Max. Thanks for coming all this way. So as I understand though Habitat for Humanity is looking to commit to 12 out of the 25 homes?

MR. TORNAL: So that's the discussion right now—the final number. But I think we're willing to go more than that if the need exists and the developer is willing to have us.

COUNCILMEMBER COCHRAN: Okay. Yeah, I wasn't aware of that. That was one of my questions to the applicant. Okay. I mean that's a good thing. And also, I know Habitat has deed restrictions only for 30 years and that cannot be changed. I mean 'cause I know you've heard me say it before, the affordable in perpetuity or the managed depreciation type of concept versus, you know, after 30 years it will flip out of this affordable type of price range and go into market. So if we're looking for

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generational down the line, 30 years is kind of a blink of an eye in a way and it's just...so here we're gonna start from square one again in 30 years.

MR. TORNAL: Yes and no. I mean technically, yeah, we do have a 30 year affordability period. The reality that we see is that this is our partner families. These are low income residents of Maui County. We see this as their major source of wealth that they'll end up inheriting, you know, passing on to their children and grandchildren. It generally stays within the family and down the line. That being said, you know, we don't want to keep our families in poverty. We want to, you know, give 'em a source of equity. In 30 years, that's at least a generation if not two. So while I personally can understand the in perpetuity concept I think there's some flaws with that as well, but that's for a different discussion.

COUNCILMEMBER COCHRAN: Thank you. And Chair, one follow up for Max. Thank you, Max. And so I was just trying to figure out because Na Hale O Maui, the community land trust concept does do the perpetuity thing.

MR. TORNAL: Right.

COUNCILMEMBER COCHRAN: Was there ever discussion between or a thought to discuss between the two of you folks to try and do some kind of partnership of some kind?

MR. TORNAL: I know that we worked very closely just in giving each other support. I can't say what our board is thinking in terms of a long-term partnership, but you know, we try to collaborate with any organization that's local to our island. So, yeah, if there is a possibility to partner, we would be all for it.

CHAIR CARROLL: Mr. Atay.

COUNCILMEMBER ATAY: Thank you, Chair. Along that lines of questioning for the sweat equity.

MR. TORNAL: Yes.

COUNCILMEMBER ATAY: So someone asked me what if I go and volunteer now and work on a Habitat for Humanity project somewhere...I think you guys got one coming up at Kahoma.

MR. TORNAL: Right.

COUNCILMEMBER ATAY: And so they put in the hours now or what if someone already did it? Would they be in front of the list because they've already volunteered hours.

MR. TORNAL: No. I mean I would encourage everyone to come out and volunteer on our project. We can only start designating sweat equity hours once they've passed our family selection committee and gotten approved by the board and that's when they can

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kick in. There's...I mean you guys know what the need is on this island. For the Kahoma Project we got over 150 applications for 10 houses. To allow all of those people to start doing sweat equity is not realistic to the final number of people that can actually qualify for a home. So that's kind of why we have to restrict it that way. But by no means am I saying don't come to volunteer on our projects.

COUNCILMEMBER ATAY: No. I only ask that question just to clarify for people that, you know, it's rumors come and say, oh, you go work and then you going get in front of the list. I want to make sure it's not like that.

MR. TORNAL: Right. No, it's not.

COUNCILMEMBER ATAY: But highly encouraged --

MR. TORNAL: Yes.

COUNCILMEMBER ATAY: --for people to volunteer now to build up your hours of your sweat equity.

MR. TORNAL: Right. And to be honest, once you get involved with the organization, you learn about other aspects like the financial literacy course. That can be taken at any point. It is a requirement for our partner families, but you know, we're actively working with the credit agencies on people's credit scores and credit reports so that even if they might not qualify for to be a Habitat partner family right now, they're improving their overall financial situation so that they, you know, can in the future or maybe even just have access to the normal market hopefully.

COUNCILMEMBER ATAY: Okay. Thank you.

MR. TORNAL: Yeah.

CHAIR CARROLL: Ms. King? Alright, is there anyone else that wishes to come forward that hasn't given testimony?

MR. WAGNER: Chair? Sorry. Angela Blakley is next testifying on agenda item LU-2(2).

MS. BLAKLEY: Thank you for coming. My name is Angela Blakley. I live in Lower Nahiku.

CHAIR CARROLL: Can you speak a little louder, please?

MS. BLAKLEY: I have a young son, five months old. Prior to having him, my partner and I had been living in one of the only available places in Lower Nahiku, which was a converted shipping container. It had actually been a wood mill before we lived there and then...I mean it's nicely converted, but it's...it was not sufficient to bring a baby home to. So after many months of looking we actually tracked down the owners of a house in the neighborhood we live in that was basically dilapidated and abandoned

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and probably most people would say uninhabitable. And we spent six months and 3,000 of our own dollars fixing it up, basically because the owners were kind enough to say, yes, you can fix it up. We cannot do that for you. We can't afford it. But we do understand that the housing in Hana is extremely hard to find, and when you can find it, it is unaffordable for anybody who works and live here. I think a lot of the things that maybe even five years ago would be considered affordable, have been turned into vacation rentals, airbnbs, things meant for people who don't live here full-time, and are not living on the kind of budget that we live on out here. So it was a big sacrifice but it's something that we had to do to bring our baby home to someplace that was livable and sufficient. So this is a project that we support. I think you've heard a lot of support from people in Hana and just the urgency. We're all concerned with the land use too. Nobody wants to do anything that is detrimental or unfair, but I think the concern and the need is pretty apparent. So thanks for listening to us all and I hope we can get it resolved quickly.

CHAIR CARROLL: Thank you. Is there anybody else wishes to come forward that hasn't come forward yet? Please come to the microphone. When you finish, please go by the desk over there and sign.

MS. BEKKUM: Hello. My name is Miki Bekkum. I'm the other half of that person that spoke earlier. Anyway, we have three kids who go to school here and the report from them is that some of their classmates do live in tents. And you know if it's for over the weekend fun stuff, yeah, it is fun outdoors, but if you have to live in the tent day in and day out, do their homework, do whatever, you know, what kind of message do we send to those kids. They can't really imagine, you know, growing up to live in a house that has actual walls, actual roof, and you know, I think that will set their future goal very low. It is really fair for kids to live in a house. They're not in a third world country. This is Maui for all of the United States and I just want you guys to know that there are people who are living in a tent—kids. Thank you.

CHAIR CARROLL: Is there anyone else who wishes to come forward? Alright, seeing none. Members, if there's no objections, I will close public testimony.

COUNCIL MEMBERS: No objections.

CHAIR CARROLL: Public testimony is now closed.

...END OF PUBLIC TESTIMONY...

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- LU-2(2): AFFORDABLE HOUSING PROJECTS (CHAPTER 201H, HAWAII REVISED STATUTES) (INDEPENDENT DEVELOPMENT OF 100 PERCENT AFFORDABLE HANA HOUSING PROJECT) (CC 17-12)**
- LU-46: DISTRICT BOUNDARY AMENDMENT FOR 4356 HANA HIGHWAY, HANA (CC 17-397)**

CHAIR CARROLL: LU-2(2), Affordable Housing Projects, Chapter 201H, HRS, Independent Development of 100 Percent Affordable Hana Housing Project. And Members, without objection, I will also call at this time LU-46, District Boundary Amendment 4356 Hana Highway, Hana, since both need to be heard at the same time.

COUNCILMEMBERS: No objections.

CHAIR CARROLL: Thank you. Members, both items on our agenda today relate to the same project, therefore what I just said. We are here to consider the proposed application transmitted by the Director of Housing and Human Concerns by correspondence, dated October 5, 2017. The application is for the development of the proposed 100 Percent Affordable Hana Project in Hana, Maui, Hawaii, pursuant to Section 201H-38, Hawaii Revised Statutes. The proposed project would provide 25 single-family lots which are a minimum of 10,000 square feet in size with associated infrastructure and roadway access on approximately 7.226 acres at 4356 Hana Highway for qualified individuals earning from 80 percent up to 140 percent of the area median income. The Committee has received three proposed resolutions. One to approve the project, one to approve the project with modifications, and one to disapprove the project. The developer is seeking various exemptions from certain legal requirements relating to planning, zoning, construction standards for subdivisions, the development of improvement of land, and of the construction of dwelling units as authorized by Section 201H-38, HRS. The Council has until November 19, 2017 to act on the project or it will be deemed approved as submitted. The Committee also has before the proposed bill to amend the State land use district classification from Agriculture District to Rural District for the property. The Committee will first be receiving a PowerPoint presentation from the developer's consultants, Jordan Hart and Brett Davis, with Chris Hart & Partners, Incorporated. If you are ready? Do you need some time to prepare? Proceed.

MR. HART: Thank you very much, Chair and Members. Thank you for being here. My name is Jordan Hart, President of Chris Hart & Partners. I'm here with Brett Davis who is lead planner on this project. Also with us today is Gabe Hoeffken, who is the applicant for the project, and Tom Hoeffken, who is the landowner. I want to say thank you to everybody who came and supported the project. I know that the Hoeffken's really appreciate the support. They've really worked hard on this and we also appreciate the support today. So thank you. Unfortunately, because of our beautiful setting and the amount of sunlight that comes in, some of these photographs are gonna be difficult to see. Councilmembers have printouts of this PowerPoint

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presentation. This is an aerial photograph of the project site. You know, all the community members know exactly where the project site is. One thing we did want to point out in this diagram, one of the Councilmembers was interested in understanding the distance between the nearest well and the project site. That's 2,500 feet away. That's well with...outside of the wellhead protection area and so we wanted to point that out. This is the subdivision site plan. It's 25 lots. It's a lot only proposal. The lot sizes are between 10,000 and 13,000 square feet. That's consistent with the R-3 Residential Zoning District. We feel that it is consistent with the pattern of development in the community. There was a discussion of the existing subdivision that parallels both sides of Hana Highway. That's rural scale development. The self-help housing is right on the other side of the gulch from this project, that's 10- to 15,000 square feet and so this is 10- to 13,000 square feet. You know, consistent with the pattern of development that's happening in the area. This is the tax map key of the project area. Project area is here. It's 24 lots are here and there's a single triangular lot here. This plan identifies the location of the quarry. There's a gravel quarry that's operated by Tom's Backhoe Service which is operated by Gabe and Tom Hoeffken who are the applicant and the landowner in this project. There were questions about the impacts from the operation of the quarry. One of the testifiers actually, you know, mentioned that they live in the neighborhood that's nearby and they don't have...experienced impacts with that. One of the things that the applicant has conveyed is that they intend to use gravel and aggregate from this quarry in order to develop the roadway system for the subdivision here. Some background information. So the project site is 7.2 acres. It's off of Hana Highway. The State land use district is Agriculture. We're here today requesting a State Land Use District Boundary Amendment from Ag to Rural. The project site is within the County's Rural Growth Boundaries so that request is consistent with the Maui Island Plan. There is one parcel that is out of the Rural Growth Boundaries and that's the triangular parcel, that 25th parcel that was added in, and so we're asking for an exemption from Maui Island Plan amendment for that. The...all parcels are within the Interim Zoning District and they're within the...as I said Community Plan Rural Designation. There was discussion of a site plan. Chair Carroll took a look at the site and determined that because of the state of the roadway and the condition of the lot at this point, it wouldn't really be appropriate to entertain a Council site visit and so we did provide larger site photos. Not very visible. They are full-size sheets for the Councilmembers, but basically it's highly vegetated. There was some grading that occurred for roadways for access to the quarries and things like that. But in its current condition it's basically vegetated. These are photos of that condition. Because of the trees and things like that, there's really not...not much you can see beyond the edge of the property. As noted, these are 100 percent affordable lots for sale. There was discussion about Habitat for Humanity participation and I want to explain the way that works. So what the applicant is proposing to do is develop a subdivision. So it's a lot only subdivision and what Habitat would do is acquire those lots and then go through their program of developing housing with their clients that they qualify after they obtain those parcels. Habitat is onboard for 12 and possibly more and the applicant is looking for a developer to develop those lots. If they are not able to find somebody who is able to develop those lots and sell house and lot packages, those lots

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would be lot only, basically, fee simple lot only. And so that's something that's being worked out at this time, but the request before the Council is to allow for the subdivision to occur. So as the configuration of lots is presented now, 10 of the lots are for 80 percent and below of area median income, and 15 of the lots are from between 90 percent to 140 percent. Now, Habitat has their own guidelines. So if they acquire more than 10 those houses would be...or those lots would be anticipated to be developed within their guidelines. Let's see...the sales prices for the lots are based on the HUD affordability guidelines for Hana and so those change year-to-year, but the sale prices that we are presenting and the sales that occur will be based on those. They will also be subject to our residential workforce housing agreement which is executed with the Department of Housing and Human Concerns and will be based on presumably a 201H approval that's issued by this body. One of the critical things that we are asking for, you know, I've done a number of 201H applications and I have to say that this applicant isn't asking for much. They are asking for consideration on the land use designations as opposed to going through a environmental assessment, Maui Island Plan amendment, community plan amendment, and change in zoning, as well as the State Land Use District Boundary Amendment, which is a much longer and more involved process. I do want to say though that they did prepare an environmental assessment. We were granted a finding of no significant impact on that environmental assessment so I do feel confident that the analysis of infrastructure and environmental impacts for the project was done to a satisfactory level. This document was sent to 6 Federal agencies, 28 State agencies, 10 County agencies, and the State delegation for Maui County, as well as all the Councilmembers, and so I feel like we got broad based input. We came to the Hana Advisory Committee and presented the project to them. We've received their input and responded to all questions and comments that we received and adjusted our document to convert it into the Final Environmental Assessment which reflects all of those comments that we did receive. We did a flora and fauna study. Bob Hobdy conducted that for the project site. No Federally listed threatened or endangered species were identified on the project site. The U.S. Fish and Wildlife Service did provide the project with guidelines for the development of the site and that basically pertains to periods of the year when you can do...remove vegetation and things like that based on the potential to have endangered species...the potential to disrupt their cycles and so the project will comply with those requirements. Regarding drainage, there are two drainage retention basins that are going to be designed for mauka of the project site. Those will accommodate all the drainage impacts from the project. Back to the discussion about, you know, what this project is actually requesting in the context of exemptions. What they are really requesting is for rural design standards. That's consistent with the community plan for Hana. I believe it's consistent with the character of development in the area already and so what that does is it allows for smaller roadways. They don't include curb, gutter, and sidewalk, and they reduce the impervious surface that developed which reduces the overall storm water runoff and drainage impacts for the project. This is another diagram of the project site plan. This identifies the location of the drainage retention basins which are just gonna be mauka of the project site. With regard to water infrastructure, there's a 12-inch waterline along Hana Highway, which the project will access. The 25 lots are estimated to consume approximately 28,800

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gallons per day and in the comment that we received from the County of Maui Department of Water Supply I believe they have a sustainable yield of...excuse me, 48 million gallons in the Kawaipapa aquifer and so I believe that, you know, water supply from the County of Maui isn't going to be an issue of concern for this project. With regard to public services, as I said we sent the draft EA to 28 State agencies, and 10 County agencies, which include divisions underneath those 10 agencies and all of the comments we received were standard development consideration comments. None of the issues that were reported back to the project were insurmountable or irregular and we believe that the scale of the project is small in size. It's not gonna have a significant impact on the function of the existing community. With regard to archaeological resources, there were archaeological sites identified within the project site and I'm gonna go over all of those so the people can be aware of what, what those are. So an archaeological inventory survey was conducted for the entire 72-acre parcel which is the entire tax map key that this project site is within. The project site is 7.2 acres. There are a total of 26 sites that were identified. Only three of those 26 sites were identified within the project area. The State Historic Preservation Division has not recommended any further work on those sites which means that development of the project site in this location wouldn't...is acceptable with regard to what those sites are. And so there's basically...there's a Site 6548 which is a complex of four walls, there's a Site 6550 which is an agricultural terrace, and there's Site 6551 which is a historic habitation and agricultural complex. And so what was determined that the amount of investigation and documentation that was done in the archaeological inventory survey satisfies the need for further research of those sites. There are additional sites that are within the mauka project area and those sites are going to be preserved in perpetuity. An Archaeological Preservation Plan was prepared and submitted to the State Historic Preservation Division and it's under review now. And so...let's see, those sites are a plantation railroad, pieces of infrastructure. There are a complex of five permanent habitation features with two platforms and an enclosure. There's a complex of two permanent habitation features including pavement and a wall and there's a complex of two permanent habitation features including pavement and an enclosure. So those are the sites that are gonna be preserved in perpetuity and there's a preservation plan that's been prepared for those and submitted to the State of Hawaii. With regard to traffic impact analysis, the traffic impact assessment report was prepared. It was reviewed by the State Department of Transportation and the Department of Public Works. Fifty-three trips are generated from the 25-lot subdivision in the morning peak hour and 57 trips are gonna be generated in the p.m. peak hour from the development. Based on this volume of traffic, it doesn't warrant any specific infrastructure upgrades such as stop lights and things like that. It's just...it's below the level of impact for consideration of those kinds of issues. The driveway is gonna be accessed off of Hana Highway for the main subdivision. As you can see it by the subdivision site plan, there is the single 25th lot which will have its own independent access to Hana Highway. DOT had no concerns with the project as presented in the draft environmental assessment. I want...I do want to go over the project history. Sometimes it seems like projects like this creep up on people, you know, when they're living their lives and paying attention to the newspaper on what people are talking about, but as far as the applicant and the work that they've been

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doing in trying to go through the process and document their obligations, they've been at this for some time and so I'll cover that. Basically, in April of 2016, the draft environmental assessment was published. As I indicated, that was sent to six Federal agencies, 28 State agencies, and 10 County agencies including Councilmembers and the State delegation for the County of Maui. The publication was completed in May of 2016. In May 2nd of 2016, we presented to the Hana Advisory Committee. We received comments. The Council heard testimony from members of the Committee who were there at that meeting. We addressed and responded to concerns that were raised there. On June 8th of 2017, the Final Environmental Assessment was published with the Office of Environmental Quality Control and the publication process was completed in July of 2017. After the completion of that project that basically means that the project is analyzed, all the potential impacts to the environment and infrastructure and it basically...it means that we're really ready to present a, you know, fast track project to the Council because we recognize that there's a 45-day period of consideration and it is a big project and it is...it does require a lot of thought. In 45 days, it's not a lot of time period to do that analysis and so what the applicant did is they prepared an environmental assessment and corresponded with all the agencies in order to do a lot of that research and documentation on the front end so that a decision can be made in the timeframe that's allotted. In September 26, 2017, the project was here at Helene Hall. We presented this same presentation to the community. There were approximately 75 people in attendance, 63 people actually signed the sign-in sheet. We went through this presentation. We did a full question and answer and we answered any questions that the community had until there was no questions left before we adjourned that meeting. October 5th is the actual date of the submittal of the 201H, which was discussed in the presentation of the agenda item. Today we are here for a Council Land Use Committee meeting. And then estimated dates moving forward with favorable reception, ideally we're anticipating an approval of the 201H application in November, then the applicant proceeds forward to technical design of the construction documents and the subdivision process in December of 2017, and then ideally in 2018 is when applications for these lots are being taken. So in conclusion, the proposed sale prices of the lots are between 130- to \$207,000. The project is intended to be provided for Hana residents. Tom Hoeffken has been living here part-time for a long period of time. They've been committed to this community and that is the intent of creating this development. We heard concerns from the Hana Advisory Committee, as well as the community, that all that's possible be done to make sure that these houses are occupied by Hana residents and the applicant is committed to that. I think that, that one thing that needs to be said on the record is that fair housing is a very sensitive issue and so the applicants' gonna do everything they possibly can to make sure that, you know, the benefit of opportunity is given to Hana residents and provided that they are complying with all legal obligations that they may have in the context of fair housing. Some of the things that were discussed is advertising of the project in Hana, receiving applications here in Hana, and you know, the intent is to do those things to the extent of the law. That concludes the presentation that I have. I'm here to answer any questions regarding land use planning and the technical documents that we've prepared. The landowner,

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Mr. Tom Hoeffken is here, as well as Gabe Hoeffken, who is the applicant are also here to answer questions. Thank you.

CHAIR CARROLL: Members, the Chair would like to note, and thank you for your presentation, the Chair would like to note that he sent questions to the Department of Corporation Counsel, Planning, Public Works, and the developer's representative seeking information about various aspects of the project and the requested exemptions. Responses have been received to all requests that were transmitted prior to today's meeting. I'd like to thank the Departments in particularly for their expedited reviews and responses to the Chair's request. The Chair would also note the Committee received a revised proposed exemptions from the developer's representative which was transmitted to the Committee by correspondence dated October 17, 2017. There were several revisions incorporated particularly with respect to the proposed exemptions to Title 18, Maui County Code. A number of these exemptions overlapped with exemptions noted by Public Works as being germane to the note contained in the proposed list of exemptions under Proposed Exemptions C.2. We will proceed through the Departments' responses as we call on each of these for the Departments in turn. First, I'd like to ask the Director of Housing and Human Services [sic] if you have any opening statements. Ms. Reimann.

MS. REIMANN: Thank you, Chair. Aloha, my name is Carol Reimann. I'm the Director of Housing and Human Concerns. The...I have to talk louder I've been told. Okay. This 100 percent affordable housing project in Hana, as you know it's comprised of 25 lots and I would just like to point out that they're on a minimum of 10,000 square foot parcels which will allow for ohanas. And as you also know, they are going for a District Boundary Amendment which will be...which would require a separate Council ordinance. The Department supports this project as it delivers much needed affordable housing to the residents of Hana and we're here to answer any questions should you have any. Thank you.

CHAIR CARROLL: We'll hold questions to Ms. Reimann until we go through Public Works and Planning. Does Planning have any operating...opening statement on this matter?

MS. MCLEAN: No opening comments. Thank you, Chair. Paul Fasi and I are available for questions.

CHAIR CARROLL: Alright. Planning's response dated October 13, 2017 and proceed...we're going to proceed through that, the questions. In response to question two, it appears the developer would also require an exemption to the requirement amending the Maui Island Plan. The Chair would recommend this request be added to Exemption A.1, if we are going to ask for the exemption to A.1 to include an exemption to the requirement of opening...obtaining an amendment to the Maui Island Plan.

COUNCILMEMBER SUGIMURA: So moved.

CHAIR CARROLL: Been moved by Ms. Sugimura --

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COUNCILMEMBER WHITE: Second.

CHAIR CARROLL: --and seconded by Mr. White. Discussion? All in favor of the motion signify by saying aye.

COUNCILMEMBERS: Aye.

CHAIR CARROLL: Opposed? Motion carried, eight ayes, one excused.

VOTE: AYES: Chair Carroll, and Councilmembers Atay, Cochran, Crivello, Guzman, King, Sugimura, and White.

NOES: None.

ABSTAIN: None.

ABSENT: None.

EXC.: Vice-Chair Hokama.

MOTION CARRIED.

ACTION: APPROVED AMENDMENT.

CHAIR CARROLL: And Members, it's really hard for me to see you down there so if you have something stick your arm out so I can tell you're there. And I'm so sorry, Mr. Guzman has been with us all of this time and I failed to recognize him after he came in. Thank you, Mr. Guzman. Okay. Alright. Department's response to question four, should the Committee incorporate exemptions to Charter Section 8-8.4 and 8-8.6 into the list of exemptions and I would defer this to Corporation Counsel if he has comment. Mr. Ueoka.

MR. UEOKA: Thank you, Chair. That's...makes sense. It's perfectly acceptable to Corp. Counsel if you want to include those. Thank you.

CHAIR CARROLL: Thank you. Anyone have any further comment on this? Let's see...we can do this by motion.

CHAIR SUGIMURA: Motion, okay. I move to add what eight, eight, or nine?

CHAIR CARROLL: Yeah. Yes...we lost over here. Yes, 8-8.4 and 8-8.6 into the list of exemptions.

CHAIR SUGIMURA: So move.

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COUNCILMEMBER WHITE: Second.

CHAIR CARROLL: Been moved and seconded. Any further discussion? All in favor signify by saying aye.

COUNCILMEMBERS: Aye.

CHAIR CARROLL: Opposed? Motion carried, eight ayes, no noes.

VOTE: **AYES:** Chair Carroll, and Councilmembers Atay, Cochran, Crivello, Guzman, King, Sugimura, and White.

NOES: None.

ABSTAIN: None.

ABSENT: None.

EXC.: Vice-Chair Hokama.

MOTION CARRIED.

ACTION: APPROVED AMENDMENT.

CHAIR CARROLL: The response to question five, Corporation Counsel, is the Council able to grant exemptions from Rural State District Boundary Standard of half an acre residential lots?

MR. UEOKA: Thank you, Chair. We believe it's acceptable. The applicant's requesting this as their exemption. If it gets challenged, I'm sure they'll be willing to defend this decision moving forward, but we don't feel there's anything that prohibits the Council from granting this type of exemption for 201H-38. Thank you, Chair.

CHAIR CARROLL: Thank you. Alright. Excuse me while I go through this. You know what? We've been going for enough time. We're gonna take a ten-minute recess. This meeting stands...oh, and before we take a recess, I would really like to thank and some have left already, but thank you so much for coming. It does make a difference. Mahalo. This meeting stands for a ten-minute recess. . . .(gavel). . .

RECESS: 1:32 p.m.

RECONVENE: 1:55 p.m.

CHAIR CARROLL: . . .(gavel). . . This Land Use Committee will come back...be called back to order. Alright, Members, I'd like to call your attention to No. 6.

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COUNCILMEMBER CRIVELLO: Pull your mic closer.

CHAIR CARROLL: Hello?

COUNCILMEMBER CRIVELLO: Yeah.

CHAIR CARROLL: Okay. I know the acoustics are bad over here so if anybody has a hard time hearing, just let us know. We'll talk louder. Alright. Question 6, exemption from the application process requirement of Chapter 19.510, MCC. The applicant, why you asking for this exemption?

MR. HART: I'm sorry. Excuse me, Chair, could you refer me to the exemption that you were. . .

CHAIR CARROLL: Six.

MR. HART: So are you talking about our item No. 6?

COUNCILMEMBER KING: No, it's question No. 6.

MR. HART: Question No. 6 in which Department's letter?

COUNCILMEMBER SUGIMURA: Will Spence.

MR. HART: In Planning's letter. One moment. Could you please clarify...excuse me. Question No. 6, oh, okay, okay. Does your Department recommend an exemption from...yes, okay. So if I could provide some background on this possibly. There was a project called Makila Kai. That project was before the Council before ours, but our project started before theirs. The reason we started before theirs is because we did an environmental assessment. In the draft comments from the...during our environmental assessment we received one of the comments from one of the State agencies directed the applicant to process a State Land Use District Boundary Amendment. I called HHFDC to inquire if any of the other counties had had to do that. I was informed that this, our project, this project here is the first project that's ever been required to do a State Land Use District Boundary Amendment when it's been processed by the County. HHFDC does district boundary amendments when they do theirs, but this is the first time that the County's had to do this. So we had already met with the Hana Advisory Committee. We had already published our Draft Environmental Assessment and so we basically asked that we be allowed not to have to go back in time and re-notice and re-hold public hearings because we did explain to the community what we intended to do and the scale of development. And so what that request is asking is that we be exempted from the procedural standards of the district boundary amendment process. So we are doing the district boundary amendment. It's on the Committee's agenda today. We did do an environmental assessment where we explained how we were going to develop this project, but we were just asking to be exempted from some of the procedural steps so that the district

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boundary amendment can move as fast as the 201H application. And so, yes, we are asking for that exemption.

CHAIR CARROLL: Okay, because my question was if you were requesting exemption from the application and procedural requirements of Chapter 19.510.

MR. HART: Yes, we are.

CHAIR CARROLL: Yeah. That's a yes. Thank you. Alright. Any questions for the applicant? Alright, Members, and Corporation Counsel has consulted on this. . . .*(toddler yelling)*. . . I like my assistant over there. I'll take him home with me. Members, a motion to exempt the applicant from the application and procedural requirements of Chapter 19.510, MCC.

COUNCILMEMBER SUGIMURA: So move.

COUNCILMEMBER WHITE: Second.

CHAIR CARROLL: Moved and seconded. Discussion? All in favor signify by saying aye.

COUNCILMEMBERS: Aye.

CHAIR CARROLL: Opposed? Motion carried, eight ayes, one excused, no noes.

VOTE: **AYES:** **Chair Carroll, and Councilmembers Atay, Cochran, Crivello, Guzman, King, Sugimura, and White.**

NOES: None.

ABSTAIN: None.

ABSENT: None.

EXC.: Vice-Chair Hokama.

MOTION CARRIED.

ACTION: APPROVED AMENDMENT.

CHAIR CARROLL: Alright. Alright, that's about it for this Department.

MS. MCLEAN: Chair? Chair, if I could. . .

CHAIR CARROLL: Yes.

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MS. MCLEAN: Thank you, Chair. If I could just make a comment and would certainly want the applicant's input in this. The first exemption listed on the list under Item G...Item G.1, talks about the exemptions from the Interim Zoning District and then spells out which portions of the Residential District will apply instead.

CHAIR CARROLL: Talk a little louder.

MS. MCLEAN: Oh, sorry. Exemption G.1 talks about the project being exempt from the Interim Zoning District standards and it also specifies a couple of areas of the R-3 Residential District that would apply. However, it's not clear what density and what uses and what lot width would apply. And so if the applicant is agreeable to the R-3 uses and standards applying, then that exemption can be shortened and just clarified that instead of the Interim District applying, the R-3 District would apply.

CHAIR CARROLL: Applicant.

MR. HART: Do you mind if I have a moment just to confer with our client about it? I believe that that's consistent with their intent, but I just it's, you know, it's a pretty specific decision I want to make sure they understand before I say yes.

MS. MCLEAN: Yeah. That does seem consistent to us as well. It's just some of the things aren't addressed in here so we just wanted to make that clear.

MR. HART: One item that I do want to point out is that there is a triangular-shaped parcel that's the Parcel No. 25 and I believe that R-3 has a width of approximately 70 feet and I don't think that that one can meet the requirement of the width and so we did make a note that we would like the minimum lot width to be 50 feet for the project site...or for the project there's a note under Item No. 1. So I do think that we are consistent overall. I think we need consideration on the width for that triangular parcel. In the context of the uses, I think that that's consistent with what they're expecting the future residents to be able to be doing.

MS. MCLEAN: Okay, and the density and use of ohanas as well?

MR. HART: Right. And we do provide a commitment to the yard...yards which sets setbacks and so I believe that we're consistent on density. One point I do want to make is there was a discussion of ohanas and R-3 does allow for ohanas. But one of the things that the, excuse me, the Hana Advisory Committee asked the applicant to do was really take a look at the subdivision plan and all the lots and declare whether or not they thought all the lots could have ohanas, and they did come to the conclusion that they believe three of the lots, due to topography issues may...probably aren't as feasible for ohanas. So there's three that are likely not to be able to actually be able to execute ohanas with the requirements for septic and leach field, but the remaining 22 are expected to be able to have full ohanas. So if I could just have a quick conversation with the applicant to make sure they're understanding what the Department's asking and then I could reply.

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CHAIR CARROLL: Ms. McLean, do you have any further comment?

MS. MCLEAN: No. Thank you, Chair. If that can just be clarified, then we have nothing else to add. Thank you.

CHAIR CARROLL: Okay. Thank you. Alright, we're gonna. . .

MR. HART: Chair, to respond to the question, I believe the approach that the Deputy Director recommended is fine. We do want to make sure that we have minimum lot width be 50 feet because of that triangular-shaped parcel wouldn't be able to comply with...the entire subdivision doesn't comply with the R-3 standards because of that triangular lot. So R-3 with the exception that minimum lot width is 50 feet is acceptable to the applicant.

CHAIR CARROLL: Okay.

MS. MCLEAN: Then I would suggest that that third line under Item G.1 that currently says, the project will comply with the following sections of Chapter 19.08, to say the project will comply with the uses and standards of Chapter 19.08, R-3 Residential District, except for minimum lot width shall be 50 feet.

COUNCILMEMBER ATAY: Chair?

CHAIR CARROLL: Oh, yeah. Mr. Atay.

COUNCILMEMBER ATAY: So can I have clarification then from the Department side. So is the minimum 70 feet?

MS. MCLEAN: The R-3 District is 70 feet. The applicant is requesting 50 feet.

COUNCILMEMBER ATAY: Yeah, but the explanation I'm getting from the applicant is only for Lot 25, that triangle lot should be 50 feet, but the rest which is not even adjacent to it should still be following 70 feet. Shouldn't it?

MR. HART: Yeah, that's fine and I believe they do. And I also want to say that this subdivision map that we're showing you is the subdivision map that's gonna be submitted to Development Services Administration. So it's...this is what we're proposing to do.

COUNCILMEMBER ATAY: No, but what I'm seeing if we go ahead in the wording, then its essence is saying that the minimum lot width is gonna be 50 feet for the project, but you're telling me that the only lot that affects for 50 feet is Lot 25.

MR. HART: That's correct.

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COUNCILMEMBER ATAY: So it should be the project should still follow the minimum width of 70 feet and exemption for Lot 25 be at 50.

MR. HART: The applicant has no objection.

COUNCILMEMBER ATAY: Did you get that wording?

MS. NAKATA: Mr. Chair?

CHAIR CARROLL: Yes.

MS. NAKATA: So it sounds like the proposed language would be, the project shall comply with the uses and standards of Chapter 19.08, R-3 Residential Districts, except that the minimum lot width for Lot 25 shall be 50 feet.

COUNCILMEMBER SUGIMURA: Yes.

CHAIR CARROLL: Yes.

COUNCILMEMBER SUGIMURA: You got her...Carla?

CHAIR CARROLL: I'm sorry?

COUNCILMEMBER SUGIMURA: That's Carla.

CHAIR CARROLL: Okay.

COUNCILMEMBER KING: So move.

COUNCILMEMBER WHITE: Second.

CHAIR CARROLL: It's been moved and seconded the verbiage that Ms. Nakata had just repeated. Alright. All those in favor signify by saying aye.

COUNCILMEMBERS: Aye.

CHAIR CARROLL: Opposed? Motion carried, eight ayes, one excused, no noes.

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VOTE: AYES: Chair Carroll, and Councilmembers Atay, Cochran, Crivello, Guzman, King, Sugimura, and White.

NOES: None.

ABSTAIN: None.

ABSENT: None.

EXC.: Vice-Chair Hokama.

MOTION CARRIED.

ACTION: APPROVED AMENDMENT.

CHAIR CARROLL: Alright.

MS. NAKATA: Excuse me, Mr. Chair? And could Staff also clarify that that means the specified language about area regulations, height regulations, yards, won't be necessary any longer because that statement should cover those standards? So those provisions...those exemptions would be stricken and the statement that was just read would be used instead?

CHAIR CARROLL: Yes.

MS. NAKATA: Okay.

CHAIR CARROLL: Okay. Alright, proceeding on. Okay. Alright, Public Works.

MS. DAGDAG-ANDAYA: Thank you, Chair, and thank you, Members. My name is Rowena Dagdag-Andaya with the Department of Public Works. The only comments...well, just to give some background on our responses. We did respond to the applicant's request for review of their Draft Environmental Assessment on June 2, 2016 and then we received comments back from the applicant I believe in September of that same year, last year. We were satisfied with the comments that we received from them and then just recently received the revised...in fact we received the revised 201H exemption list yesterday afternoon so under the item for subdivisions, Letter F, Title 18, Maui County Code, Subdivisions, we went from two exemptions to sixteen. Generally, for 201H applications we, you know, we do have concerns regarding traffic calming elements, pedestrian ways, sidewalks, but understand that the rural character of the area did not necessarily require these kinds of improvements. So generally, and with this application, I think we...the Department doesn't have any concerns. If you would want me to, what I can do is go over the requested exemption starting with Item C, Exemption from Title 12. Chair would you like to do...start from there?

CHAIR CARROLL: Yes.

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MS. DAGDAG-ANDAYA: Okay. Starting with Page No. 1, Exemption from Title 12, Streets, Sidewalks and Public Places. The first exemption is for Section 12.08, Driveways, shall be granted to exempt the project from driveway permit and inspection fees. We have no concerns regarding this item and have done this for other projects in the past. Item No. 2, exemption from Section 12.24A.070D, Maui County Code, Planting of trees, shall be granted to delete the requirement for street trees. Just to give you a background on this. In our Subdivision Codes we do require that a planting plan be produced and require the planting of street trees with the Planning Department reviewing the plan. We don't have any concerns in granting the deletion of this requirement because...well, we just don't have any concerns, but we do want to defer to the Council if this is something that they want to see or if they still feel...if you the Council body still would like to have street trees. Okay. If I can move on, I will go to Item D, Exemption from Title 14, Maui County Code, Public Services, an exemption from Section 14.70, Maui County Code, Impact Fees for Traffic and Roadway Improvements in Hana, Maui, Hawaii, shall be granted to exempt the project from traffic impact fees. This we have no concerns and have done this for other 201H projects in the past. Any questions on this one? Item E, Exemptions from Title 16, Maui County Code, Building and Construction, and this is basically and I won't read it, but will explain that this means that the project will comply with the Fire Code, the Electrical Code, Plumbing Code, and Building Code. But what the applicant I believe is asking for is that any additional codes that are approved or passed subsequent to the filing of the 201H application, that the applicant be exempted from those requirements. So in a nutshell, they are asking that they only be subject to the codes that apply during the time of the filing of the 201H application. Okay. If we go to Section F, Exemptions from Title 18, Maui County Code, Subdivisions, the first one relating to 18.04.030, relating to land use consistency and conformity requirements of Title 18. This pretty much goes hand-in-hand with the item that we talked about earlier with respect to zoning. So we've done this for other projects in the past to waive for the land use consistency. This is kind of a general request that most applicants make so we don't have any concerns there. Item No. 2, an exemption from 18.16.130, Cul-de-sacs, shall be granted to allow the project road cul-de-sac to exceed 550 feet in length and serve more than 20 lots. This is generally okay. We don't have any concerns but I'm not sure though if the Fire Department...Maui Fire Department have been consulted on this particular exemption because it affects truck turnaround access. So if the Council wants to...or the Committee wants to, you might want to discuss this with Fire Department and consult with them to see if it's okay. But for Public Works this is something that has been approved in the past and we have no concerns. No. 3, exemption from 18.16, Lot Sizes and Shapes. I believe we talked about this so this is in relation to Title 19. So I won't go over this one or No. 14. No. 5, an exemption from Section 18.20.030, Pavement of streets, to allow the project to develop as follows. It is understood that the project site road connects to Hana Highway. Now this...just so that. . .

COUNCILMEMBER KING: Rowena, I don't know where you're at. You went from F. . .

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MS. DAGDAG-ANDAYA: Okay. I'm on Page 2, Item F.2...or F.5.

MS. NAKATA: Mr. Chair?

COUNCILMEMBER KING: I don't see a No. 5.

MS. DAGDAG-ANDAYA: Oh.

MS. NAKATA: Mr. Chair? Mr. Chair, I believe Public Works is referring to the revised list of exemptions received from the developer, not the original list of exemptions.

COUNCILMEMBER KING: It's not in this document.

MS. NAKATA: That came in by correspondence dated October 17, 2017 from Brett Davis.

MS. DAGDAG-ANDAYA: My apologies, Chair.

MR. UEOKA: Chair? Chair? Why don't you take a quick recess so we can get everyone the document?

CHAIR CARROLL: Okay.

MR. UEOKA: Thank you.

CHAIR CARROLL: Brief recess at the call of the Chair. . . .(gavel). . .

RECESS: 2:16 p.m.

RECONVENE: 2:18 p.m.

CHAIR CARROLL: . . .(gavel). . . This Land Use Committee is called back to order. Alright, Members, it was handed out. The title is 201H Exemption Requests for the Proposed 100 Percent Affordable Hana Housing Project. So everybody has that? Okay. Public Works.

MS. DAGDAG-ANDAYA: Okay, Chair. Continuing on Page 2, Item No. F.5, Exemption from 18.20.030, Pavement of streets. So the developer...or applicant proposes to develop the right-of-way width to 44 feet wide and 20 feet of pavement. We are...we don't have any concerns with this. The rural nature of the property...rural standards typically allow for 40, I believe, 40-foot right-of-way—I may be mistaken—40-foot right-of-way and 22 feet pavement. But with this exemption we don't have any concerns. We do, however, well, continuing on, there will be no curb, gutters, and sidewalk, and road shoulders will be grassed. We would request that prior to first reading that we get a typical section identifying the, you know, the shoulder area, the pavement width, you know, just basically a diagram identifying what the road would look like.

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MR. HART: Chair, we can provide that.

CHAIR CARROLL: Thank you.

MS. DAGDAG-ANDAYA: Okay. Thank you. And then Item No. 6, 18.20.040, Existing streets, shall be granted to allow the project as developed...to be developed as follows. This exemption is generally for existing streets that require improvement. In this subdivision all of the internal streets will be brand new so it doesn't apply to any of the future County roads that are intended to be dedicated. This would, you know, for example, if Hana Highway...this section of Hana Highway was the County...under County jurisdiction, then this would apply, but in this matter, you know, in this case it generally doesn't apply. So one of the things that I would do is defer to State Department of Transportation to see if they had any comments regarding any improvements needed for the road.

CHAIR CARROLL: Okay.

MS. DAGDAG-ANDAYA: And then. . .

MS. NAKATA: Excuse me, Mr. Chair? Could Staff get clarification that is Department indicating they don't need the exemption F.6 or?

MS. DAGDAG-ANDAYA: Yes. When I spoke with staff they had indicated that this isn't necessary because it's for existing streets and we don't have any existing streets in the subdivision right now.

MR. HART: Chair, if I may?

CHAIR CARROLL: Yes.

MR. HART: The application [sic] has no problem building the connection to Hana Highway to State standards. So if it's easier to remove that request, that's fine. I think that we just wanted to make sure that we were overly conservative in covering all the bases, but thank you.

CHAIR CARROLL: Alright. We shall remove that. That will be taken off the list. Public Works.

MS. DAGDAG-ANDAYA: Okay, going on. No. 7, exemption from 18.20.060, Street lights, shall be granted not to require street lights within the subdivision. The street lights are typically required at intersections and in this case, you know, I would defer to State DOT because it does intersect with Hana Highway. So this might also be a safety issue. So I would...I think I suggest that you also confer with Maui Police Department to see if this is needed.

COUNCILMEMBER KING: Chair?

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CHAIR CARROLL: Yes, Ms. King.

COUNCILMEMBER KING: So is the recommendation to remove this exemption request?

MS. DAGDAG-ANDAYA: I, you know, we don't have any concerns about removing this. However, there are...I mean there may be a request in the future from residents asking for street lights. We get a lot of street light requests. So, you know, it might come up in the future. We don't have any concerns with removing it, but just wanted to let the Council know that we do get requests for a lot of areas that don't have street lights.

COUNCILMEMBER SUGIMURA: Move to remove.

COUNCILMEMBER WHITE: A motion to remove. I'll second it.

CHAIR CARROLL: Oh, okay.

COUNCILMEMBER KING: Can we ask the applicant, Chair?

MR. HART: Chair, if I could? The intent of adding it was basically a cost savings issue. There's no street lights in the existing self-help housing development. You know, we feel that that has worked out well for the community. We feel that there's no necessary reason to increase the amount of light pollution in an area like this. If there's an event where the community decides that they want to go in this direction, that's something for consideration. But what the developer was trying to do was basically to control their costs in presenting these lots to the community rather than, you know, do a full buildout of urban-type infrastructure. That was the intent of the request. It wasn't necessarily a health, safety, and welfare type of issue. You know, we could do some additional consultation with the State Department of Transportation before first reading, but we would prefer to leave the request in there because what we don't want to be having to do is providing a...there is an additional intersection within the project that we didn't want to have to light is the reason for that.

COUNCILMEMBER WHITE: Withdraw.

CHAIR CARROLL: I'm sorry.

COUNCILMEMBER WHITE: We'll withdraw.

CHAIR CARROLL: Yes.

COUNCILMEMBER KING: Chair?

CHAIR CARROLL: That's withdrawn. We don't even need a motion on that. We'll just withdraw it from the exemptions.

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COUNCILMEMBER KING: Chair, can I just...I just wanted to make a point. I think you might want to consider because when you leave this exemption in there and the community later on decides it wants street lights, then doesn't this exempt the County from having to put street lights in there ever? I mean 'cause I've gone through these situations where the County has made these conditions and then somebody goes bankrupt but the County won't come in and pave the road because they've already made a deal with the developer to pave the road. So we have, you know, just think about what obligations it takes off the table for the County later on.

MR. HART: I could say a few things. So the first thing I would like to say is that when you do subdivision improvements you need to bond them and the bond insures that the Department of Public Works has the resources to finish those subdivision improvements. So I don't think that there will be a situation where the applicant would start construction after bonding and there would be no way to finish the work. And I would hope that even...I would hope that if the community was asking for street lights on a street in the future if there was a reason to be doing that in Hana, that the Department would not stand on an exemption from the developer for a 201H application and deny the community in that context. But we were thinking that in the context of rural standards, in the context of, you know, how bright it is out here at nighttime now we didn't really feel like there was a need to increase the project cost and also, you know, light up the area in that way.

COUNCILMEMBER KING: Okay. No, I just...I want to make sure was that you understood because I don't have the same faith in you because I've seen the County stand on conditions and refuse to pay for a road that's not being paved because the developer went bankrupt. But because the County made a deal with that developer that the developer would pave the road, the County will not come in now and pave the road. So what I'm saying is if you put this in here, it may preclude the County from ever having to come and put street lights should they want it. You're just saying that there's a chance they may want street lights in the future. If there's no chance of that, then I would say leave this in, but just so you understand that what may happen down the road. . .

COUNCILMEMBER WHITE: Can you speak into the microphone? We can't hear you.

COUNCILMEMBER KING: Okay. I'm just saying that what may happen down the road is you may...if you are thinking that they may want street lights at some point, that they're probably gonna have to put them in themselves just based on my experience on what the County has done with these conditions.

MR. HART: Let me say this, I think that the largest exemption that we're asking for is the roadway widths and curb, gutter, and sidewalk. You know, there is a cost associated with the street lights which we did provide to the Council for consideration. I think it's worth the cost savings. You know, for whatever anecdotal comment is worth, I grew up in Haiku and I live in downtown Wailuku now and I couldn't see why anybody would want street lights in an area like Hana. But you know, if the community wants

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them in the future, I do think the County could just pony up and provide them if that's something the community wanted rather than standing on a 201H exemption that was granted the developer for the purpose of reducing the developer's cost in order to be able to execute the project. But to back up to what I was saying earlier, if this is a real issue of contention, you know, it's at the discretion of the Council.

COUNCILMEMBER KING: Yeah. No, it's not an issue of contention. I just wanted to give you the benefit of my experience in what's happening in some other areas based on these types of exemptions being put in here and the County's refusal to later on go in and do what the community wanted because it was in these conditions.

MR. HART: Maybe if the Council wants to qualify the exemption request that it somehow expires at the acceptance of final subdivision construction?

COUNCILMEMBER KING: I think we should just leave it in.

MR. HART: Okay.

MR. UEOKA: Chair? Chair?

CHAIR CARROLL: Mr. Ueoka.

MR. UEOKA: Thank you. Just for clarification. The exemption would just be for the developer. If the County wanted to come in at a later time and install them, that's a County decision. It would be the Council making the determination on the likely CIP project funding so it would be at that level. So it's not like having this exemption in the 201H application kills the future possibility of having street lights. It would be a County decision moving forward. Thank you, Chair.

CHAIR CARROLL: Thank you, Mr. Ueoka. Public Works.

MS. DAGDAG-ANDAYA: So moving on to Item 8 and 9, Sidewalks, and curbs and gutters. Again, noting the rural nature of the area the Department doesn't have any concerns with these two exemptions. For pedestrian ways, again like I mentioned earlier, we'd like to see the cross-section so for this one we're generally fine with this exemption. No. 11 relating to traffic calming elements shall be granted not to require installation of traffic calming elements. Typically, you know, we would be in favor of having traffic calming like speed tables or speed humps in the area so that...because we do get a lot of requests. So this is another one that I think, you know, we were hoping that the developer could put in at least one speed hump in the neighborhood.

COUNCILMEMBER KING: . . .*(inaudible)*. . .

MS. DAGDAG-ANDAYA: No, it's for No. 11. The applicant is requesting an exemption from doing any traffic calming elements. So this is another where, you know, we would...we

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we got this, the revised list, I brought it up with staff and they weren't quite sure what this would do so maybe I can...maybe Jordan...Mr. Hart can explain.

MR. HART: Chair, if I may?

COUNCILMEMBER KING: Chair?

CHAIR CARROLL: Yes.

MR. HART: Thank you. The intent was just to make sure that we covered all the bases because basically there's...we're asking for the 201H exemption request and then there's a certification that the project was designed to County standard and so I wasn't sure if there was going to be an acceptance issue after the project had developed the infrastructure as presented in this 201H exemption request. I just wanted to make sure the gap was bridged between accepting the infrastructure as it's developed under the exemptions as...because that's not the same as developing two current County standards. If there was any issue on certification, I wanted to make sure that that was covered. That was the intent of it.

MS. DAGDAG-ANDAYA: So this item then would kind of be not combined, but it would relate to Item No. 16 regarding exemption from Section 18.40.010, Acceptance Guidelines.

MR. HART: Chair, if I may? I believe it does and what I was intending for 16 was that I do think because this is an affordable project I did think it was ideal that the County take ownership and long-term maintenance of the infrastructure for the subdivision. So basically, the roads and the utilities they're in the right-of-way and so that No. 16 relates to acceptance guidelines. And I just wanted to make sure that we say the intent is for the County to adopt it just to make sure that when it's time for the County to take that infrastructure over that they have the documentation they need that is necessary to accept roadways that are otherwise not to their current standard.

MS. DAGDAG-ANDAYA: And Chair, I know we've done this before for other projects where we've accepted. However, I don't...we as a staff hasn't...we haven't had a chance to discuss this yet. This is something new that was presented and I don't know if it was caught during the draft EA stage that the applicant had intended to dedicate the roads. So, yeah, we just...the staff doesn't recall that discussion. So we would like to engage in at least one discussion with the applicant on this matter.

CHAIR CARROLL: Applicant?

MR. HART: I'm not certain that that was declared that way in the draft EA, but you know, as projects develop, you know, all the details begin to shake out. We're open to conducting conversation with the Department. I just want to reiterate that the intent is to...there's going to be an association. There are two drainage retention basins that need to be maintained by the association and so my thought was, you know, this is an affordable association. If the County can maintain these roadways and utilities over

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the long-term, that would be ideal just as the way they are maintaining other roads and utilities in the Hana area. If the County can't take them over, obviously the association would be saddled with them and so, you know, that can be a fall back. But you know, the intent of adding that exemption item is just what we're talking about now so we're open to working with the Department to resolve that. Thank you.

MS. DAGDAG-ANDAYA: So, Chair, I think for now you can leave this exemption in and then...I'm not sure if you intend to have another Committee meeting or if you intend to pass this out for first reading, but what we can do is work with the applicant and try to clean up some of these Item 16, 15, and 14 prior to first reading.

CHAIR CARROLL: Is there any objection to. . .

MS. DAGDAG-ANDAYA: Oh, I'm sorry a resolution.

CHAIR CARROLL: Any objection to passing these out but having the Department work on it before first reading for the verbiage.

COUNCILMEMBERS: No objections.

CHAIR CARROLL: Mr. Ueoka.

MR. UEOKA: Thank you, Chair. Just one quick one. On Item 16, if the consultant and the developer don't object, can we change the County of Maui will to the County of Maui may? Thank you.

CHAIR CARROLL: Okay.

UNIDENTIFIED SPEAKER: How about shall?

CHAIR CARROLL: Alright. Public Works.

MS. DAGDAG-ANDAYA: Chair, the only other item that we have relating to Public Works is Item H, Exemption from Title 20, Maui County Code, Environmental Protection. Grading and grubbing fees to be exempted from the project. So again, this is only just for the payment of fees, not from the process, and this is something that we've done for other projects in the past. So we're okay with this exemption.

CHAIR CARROLL: Alright. Members, anything else for Public Works? Anybody would like to bring up on any portion?

MS. NAKATA: Mr. Chair, could Staff get a little bit of clarification. So on F.16, Corp. Counsel had requested a change from will to may. Was that acceptable to the body? Is there a motion or?

COUNCILMEMBER SUGIMURA: So move.

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MS. DAGDAG-ANDAYA: Chair, we don't have any comments regarding the detention basin. The applicant has stated in their report that they would comply with the drainage rules of the County of Maui and then we will be reviewing it one more time at subdivision. So we don't have any. . .

COUNCILMEMBER COCHRAN: And MS...and MS 4?

MS. DAGDAG-ANDAYA: Yes, that was indicated in our letter to them.

CHAIR CARROLL: Okay. Alright

COUNCILMEMBER ATAY: Chair?

CHAIR CARROLL: Oh, I'm sorry. Mr. Atay.

COUNCILMEMBER ATAY: Chair, yes, I know we went...we were just going through exemptions so that's why I was just kind of holding off, but you know, I'm in support of this project—sorely needed. However, I do have concern. I passed the property—what—three times coming in, two times going out and I do have concern about the entryway into the property because it comes around a hairpin turn by the teachers' cottage and then a slight turn that dips down and then you going into the property. Or if you coming from Wailuku way coming in, it's coming down a slight hill and then making a turn. So I was looking at that and I know that there's another road that comes just before that mauka come out, would an entryway that way and enter the property, you know, be a lot safer. I'm more concerned about...you got tourist what 800 to 1000 tourist cars every day, this the first time they on this road, and they going be navigating one slight hill and making a turn, as...I've been there and I seen it. I'm going that's the only concern I have is the traffic safety on the entryway and can there be another entry into the subdivision from...I don't know the name of that road that's...look like come straight down from the mountainside. What's the status of that?

CHAIR CARROLL: Could the applicant please...you heard the question. Could you respond?

MR. HART: Yes. Thank you, Chair. So that roadway...the gravel roadway is owned by Department of Land and Natural Resources and the applicant did look into trying to see if that could be a roadway option. But basically just due to the ownership being with the State of Hawaii and the things that you would have to do to negotiate, you know, new private access through a DLNR roadway, it wasn't feasible to execute for the project. Another thing that I would say is redesigning the subdivision as it is now will move all of these...these exemption items are organized to make this subdivision plan that you saw work that's what I was trying to say earlier is that that's the plan we're submitting. I will say that the project will comply with all sight distance standards and we also mentioned earlier that the project's access to the State highway is gonna be to State standard. So I believe that when it's fully improved you will have the adequate site distance that meets the current standards to allow for roadway

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access there and that is something that Public Works and the State Department of Transportation look over in their review of construction documents and that's not something that we're asking for an exemption from. So we believe that our civil engineer that designed the subdivision believes that we'll meet the criteria for access to the highway as it is designed now.

COUNCILMEMBER ATAY: Chair?

CHAIR CARROLL: Mr. Atay.

COUNCILMEMBER ATAY: Yeah, so I was interested to duly note that from the State Department of Transportation there was no comment and I'm going, wow, did you guys even look at this road. You know, and then it's a State road and then if you're saying the road going mauka is a State road, this is a State application, a 201H, I'm more concerned about the safety of the residents and also the safety of those 800 to 1000 cars of visitors coming for the first time navigating that slight downhill and turn. It's like that hairpin turn right after that teachers' cottage and then you going navigate another small turn. I rode on it three times. I passed it three times coming in and I passed it twice going out. It's still a concern for me, but I like the project.

CHAIR CARROLL: Thank you, Mr. Atay. Public Works?

MS. DAGDAG-ANDAYA: Chair and Councilmember Atay, thank you for bringing that up. You know, just part of our subdivision process is to look at sight distance and all other traffic safety issues at the intersection. So both...the project will be reviewed by State DOT and by our engineering division. So we...I will make a note of that and in the project file, as well, that that was one of your concerns.

COUNCILMEMBER COCHRAN: Chair?

CHAIR CARROLL: Thank you.

COUNCILMEMBER COCHRAN: Chair?

CHAIR CARROLL: Excuse me, Ms. Cochran.

COUNCILMEMBER COCHRAN: Yeah, thank you. And I agree with Member Atay having driven it several times since I've been here. And the other thing I did question applicant at the time looking over the TIAR is they have morning, you know, peak timeframes of the day, school hours, whatever, but as Mr. Atay says this is one of the most visited tourist destinations in the entire State behind the Arizona Memorial. So you have thousands of people who never been on this side of the island driving these narrow, rural roads. And so I think it's good to take into consideration the tourist seasons. You have high, peak seasons for tourism—your summers and your winters. You're gonna have that much more cars on this highway as the ones that Mr. Atay mentioned so I think that's...you need...that needs to be taken into consideration also.

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CHAIR CARROLL: Thank you. Alright. Any further discussion?

COUNCILMEMBER CRIVELLO: I just wanted...living in a rural area we are cautious about, you know, how our traffic is and we get more than ten cars on the road, we like know what's going on and who's coming to our place. I don't want to add additional cost to the hopes of our Hana families who's hoping to be able to have at least 12 to 25 Hana residents in an affordable process. It's gonna include additional cost. I think the community is aware of their surroundings and how they do...I understand where Mr. Atay is coming from but I would like to support this project so that we can accommodate. You know, when you live in the country, you not hookano. You make good with what you're gonna...what you have so you can sustain our needs. Thank you.

CHAIR CARROLL: Thank you. Further discussion?

MS. NAKATA: Mr. Chair?

CHAIR CARROLL: Yes.

MS. NAKATA: Mr. Chair, Staff would just note that at the top of the list of exemptions the second full paragraph, there's some language that talks about the exemptions automatically terminating if the project has not commenced construction within four years and so on. And Staff's question is just for Corporation Counsel whether these are appropriately placed here under the exemptions or should they be incorporated as a modification? I believe that's where construction timelines have been incorporated in past 201H project resolutions.

CHAIR CARROLL: Members, you've heard...yes, Mr. Ueoka?

MR. UEOKA: Chair, in response to Staff's comment. It can be put in the modifications. I don't see anything wrong with it being stated at the top of the exemption page. You know, that's the body's choice where you guys want it. I think it's enforceable at either point. Thank you.

COUNCILMEMBER SUGIMURA: This is fine.

CHAIR CARROLL: Alright. Anybody have any objections to that being in there? Alright. Members...oh, wait, I have one more person to call on. Housing and Human Services [sic] has been waiting over there patiently. Do you have anything else you'd like to say or does anybody have questions for Housing and Human Services [sic]?

MS. REIMANN: Chair, I would like to mention that in the applicant's presentation that they listed the estimated cost range from \$130,000 to \$207,000 per lot, but we note that the actual price is \$118,150 to \$206,750. Thank you, Chair.

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CHAIR CARROLL: Thank you.

MR. HART: Thank you very much, Chair, and I apologize for that error in our presentation. The lower dollar amount that is in the resolution is the correct dollar amount. Thank you.

CHAIR CARROLL: Alright.

COUNCILMEMBER COCHRAN: Chair? Sorry.

CHAIR CARROLL: Ms. Cochran.

COUNCILMEMBER COCHRAN: Okay. I guess we've been jumping around. I kind of had...I got comments to what he just talking about but then I got comments from the past four years commencement issue or topic. So let me go back to the four years. So it says the four years, you know, if the commence construction is within that four years and so on, for this purpose construction commencement will be defined as when owner obtains grading permits and executed a construction contract. I just wanted to know what is the typically the timeline for that. When...what...the applicant knows or is that Public Works?

MR. HART: Point of clarification.

CHAIR CARROLL: Yes.

MR. HART: Is the question when this is typically done for 201H applications or how long it takes?

COUNCILMEMBER COCHRAN: It's typically when or when are you foreseeing perhaps to be getting your grading permit and execute a construction contract and then why the four years? I'm trying to correlate the four years and this is the date of commencement...when these two things occur.

MR. HART: So, okay, to...something that I mentioned earlier is that Tom Hoeffken and his wife are the landowners and Tom and his son, Gabe, run Tom's Backhoe Service. They are the contractors who are going to be doing this project. So in the context of a contract, you know, I don't think that there's going to be a lot of time lost there. Their goal is to go right into this. So, you know, subdivision I think is what's gonna take the longest process, grading permits can be issued, you know, maybe four months or less probably, but the subdivision process, anybody who's tried to execute a subdivision with the County of Maui knows it's a little bit difficult. And so I think that I expect, based on the number of conversations that I've had with these two gentlemen that we're not gonna need four years, but if you put a situation where you're cutting it to our best estimate of, you know, in and out of the door at DSA, that's gonna really make it problematic. So I think that four years is reasonable, but I think in actuality it probably takes something like a year or so to get the subdivision and something like

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six months to get the grading permit, practically. But I think to give us a situation where we have the estimated bare minimum to get through the approval process, based on my experience with projects, is not really as feasible as it might seem right now.

COUNCILMEMBER COCHRAN: Thank you. But I think that's why the 201H does 45 days so that's skipping all the normal processes. So anyways, and then so my other question I don't think anybody brought it up but I discussed with Tom during the...or applicants during the break. The PowerPoint has two—did you talk about that?—the improved and unimproved wording...the first slide. Okay, you did. Okay. I didn't catch that.

MR. HART: And. . .

COUNCILMEMBER COCHRAN: In reference to the numbers that Ms. Reimann just brought out.

MR. HART: Let me say that into the record. So we received a correction on the cost and the correct cost is in the resolution which you have which is the lower dollar value. There was an...there was a carryover cost that was on our PowerPoint that should have been updated to the lower dollar value—it was not. With regard to that question of improved and unimproved lots there should have only been improved lots throughout the presentation and the reason these are improved lots is because they have roadway access, they have utilities, and they have water meters. So unimproved lots would have nothing. And so these are improved lots, and again, I apologize for an oversight error in the language on our presentation but these are improved lots.

COUNCILMEMBER KING: Chair?

CHAIR CARROLL: Ms. King.

COUNCILMEMBER KING: Thank you, Chair. I just wanted to follow up on the four years. How long...how long, I mean this is for the actual lots and lot sales so what's your anticipation of when the first homes will actually be started?

MR. HART: Okay. That's extremely challenging. So one thing I do want to reiterate is my understanding is that the four-year time period that we're talking about is...relates to the commencement of construction which is treated as pulling the grading permits. So I anticipate as soon as they have their subdivision approval which defines their subdivision infrastructure improvement requirements, basically we're getting these exemptions, then presuming we get approvals of these exemptions their civil engineer designs these drawings. Like that's the same reason we don't have a road profile already is because we don't even know if we could do this yet, but he'll draw it now to show the Council. But as soon as we get these approvals he goes into full construction level design which is a pretty hefty set of drawings which the Department of Public Works will review. After that's accepted, we request a grading permit, they

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issue the grading permit, and they can construct those pieces. So my understanding is they need to pull that grading permit for the construction improvements within four years in order to commence construction.

MR. UEOKA: If I may, Chair? Chair, if I may?

CHAIR CARROLL: Yes, Mr. Ueoka.

MR. UEOKA: Thank you and just for clarification, I believe it says obtain grading permits and execute a construction contract for the project. And for this project being that it's a lot only project, the construction project...construction contract is referring only to the, yeah, site improvement type work, not vertical construction. Thank you, Chair.

COUNCILMEMBER KING: Right. No, that's what I understand. That's why my concern was, you know, we're not gonna be...because we're giving a lot of exemptions so we're not gonna be sitting on these lots for ten years before we actually have houses are we?

MR. HART: No, I don't think that that...okay, so you heard Habitat for Humanity express their interest and their ability to do this project. So the way this project is configured is once the lots exist, there's subdivision, and the County of Maui accepts the construction improvements that make the lots exist, then Habitat can obtain those lots from the developer and then begin the development process. So in the context of construction phase if you had somebody here from Habitat, they may be able to give you a better projection.

COUNCILMEMBER KING: Well, actually...actually, can I just say...just interject something.

MR. HART: Sure.

COUNCILMEMBER KING: Because I was talking to Gary...Gary Passon and he said that their top end is 100,000. So they would have to go out and look for that extra money to get those 12 lots. So right now they're not, you know, they want to do 12, but they don't actually have the funding for it so.

MR. HART: In response to that I do want to say that we went in and talked to each of the Councilmembers and in our presentation here on the 26th we did make that clear that Habitat is on for the lower end lots and they're trying to find a developer who can do the upper end lots. And if Habitat can get funding to do all those lots, that's fantastic. If it's not Habitat, it could be another developer. And if they're unable to find any developer, then they would sell those as lot only and individuals could organize whatever sort of development they wanted to do, whether it be owner-builder or so on. So one of the things I'll bring up, we did have these conversations with Councilmembers as well as Department of Housing and Human Concerns. There was a determination from the State of Hawaii that all 201H projects now need to be prevailing wage. The applicant had originally hoped to build house and lot packages and when they completed their consultation with their legal counsel and concluded

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that they had no way out of per paying prevailing wage for vertical construction they concluded that they couldn't do that. The only way they could make this project happen was to do lot only because because they are civil contractors and they can control that portion of the process. So the next step requires partnerships. Habitat is onboard as one of the partners. They're trying to find another partner, and if not, then it becomes lot only which is what this 201H application request is. So that's the intent and we've explained that, and you know, that's what we're trying to do.

COUNCILMEMBER KING: Yeah. No, I understand what the intent is. I just wanted to, you know, see what the vision is here of, you know, we heard so many people come out today that were in favor of this because they want to be in homes, you know, in the near future.

MR. HART: So the only...unfortunately, we should have tried to keep somebody from Habitat here through this proceeding so then they could explain in more detail to the Council what their process is for vetting and then the execution of the development of their homes. I don't know that to quote it for them, but I could give you the rough outline that I did on the civil side.

COUNCILMEMBER KING: I'll follow up with them because I'm working with them on some other things. Thank you though.

CHAIR CARROLL: Yes, Mr. Ueoka.

MR. UEOKA: Thank you. Just for clarification and so it's clear. The application here is for lots only.

COUNCILMEMBER KING: I know that.

COUNCILMEMBER SUGIMURA: Lots only, yes.

MR. UEOKA: Oh, no, I'm not singling anybody out. It's just for clarification for lot only. There may be partnerships and stuff which are going to happen after the fact. This application is strictly 201H for the lots only.

COUNCILMEMBER SUGIMURA: Right.

MR. UEOKA: Thank you.

COUNCILMEMBER COCHRAN: Chair?

CHAIR CARROLL: Yes, Mr. White.

COUNCILMEMBER WHITE: Thank you, Chair. I'd like...Corp. Counsel, can you evaluate for us whether there's any way around the prevailing wages requirement the State has now come to decision on? Because it seems to fly in the face of affordable housing

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if...especially in a rural district like this. There's...to me there's no rationale for prevailing wages on something that is as rural as this. I don't know if you can do some research into that and see.

CHAIR CARROLL: Mr. Ueoka.

MR. UEOKA: Thank you, Chair. We've looked into this. It's...we try to work with the developers. The recourse I would suggest is amend 201H-53. That's...I wouldn't suggest giving an exemption to it. I would suggest amending the language of the law. Thank you.

COUNCILMEMBER COCHRAN: Chair?

CHAIR CARROLL: Ms. Cochran.

COUNCILMEMBER COCHRAN: This project...so as I was reading it I kept reading Hana Housing Project and then of course there's no houses per se because it is a lot application. So can we make it not so misleading title here and say Lots for 100 Percent Affordable Hana Housing Project. I mean the word lots needs to be here because I think it's totally misleading. I kept highlighting where's the houses here. It kept saying lots, improving this lot site, grading pads install, blah, blah, blah. So I'm just trying to figure out...I mean 201H's are always houses but this technically is not. It's lots for the houses in a future time. Does Corporation Counsel have something or somebody?

CHAIR CARROLL: Mr. Ueoka.

MR. UEOKA: Thank you, Chair. We don't see a problem with this moving forward under the 201H process being that it's lots only. It's not something that's encouraged typically by the Department, but they're not against this. As far as the name of the project, we don't name them. They're named by the applicant and at this point renaming it might cause more strife in that the EA was done with this and our 201H application has this stamped on it. I will say if you do read into the application, there's no real mention of houses. So I feel that if you research it it's fine, but I understand Member Cochran's concern. Thank you, Chair.

MR. HART: And I can take responsibility for the confusion. As I said earlier, the applicant did set out to do a house and lot package. The State's determination came through requiring prevailing wage which was done after we were substantially through...which the conclusion that there was no way out of it was realized after we were halfway through our EA process. I do also want to say for some context that Tom's Backhoe Service was the civil contractor for the self-help housing project and that project was done not under prevailing wage because it was done before the State's determination came through. And so they were intending to do this project exactly the way that project was done, State came through with a different determination, that determination made their original project plans completely infeasible for them, and so

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they're able to do the project as lot only. And so there definitely is carryover language from the way the original EA was drafted and it wasn't intended to be misleading in any way and we did go through a full discussion with the community when we had our meeting on the 26th about specifically why that was the case. And so I apologize for any carryover language on the use of the term housing, but we tried to be as clear as possible in the 201H application and the resolution that this is lots only. Thanks.

CHAIR CARROLL: Thank you. Alright. Anything further? Questions for any of the staff or Corporation Counsel? If no more, I'm going to give my recommendation.

MS. NAKATA: Mr. Chair?

CHAIR CARROLL: Carla, yes. Ms. Nakata.

MS. NAKATA: Could Staff just ask for exemption D.1? Because there are no traffic impact fees that have yet been enacted, whether the body would have any objection to amending the exemption to read as follows, an exemption from Chapter 14.70, MCC, Impact Fees for Traffic and Roadway Improvements in Hana, Maui, Hawaii, shall be granted to exempt the project from traffic impact fees, and then to add in, should such fees be adopted prior to the issuance of building permits for the project.

COUNCILMEMBER SUGIMURA: So move.

COUNCILMEMBER CRIVELLO: Second.

CHAIR CARROLL: Moved and seconded. Discussion? All those in favor signify by saying aye.

COUNCILMEMBERS: Aye.

CHAIR CARROLL: Opposed? Motion carried, eight ayes, no noes, one excused.

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VOTE: **AYES:** **Chair Carroll, and Councilmembers Atay, Cochran, Crivello, Guzman, King, Sugimura, and White.**

NOES: **None.**

ABSTAIN: **None.**

ABSENT: **None.**

EXC.: **Vice-Chair Hokama.**

MOTION CARRIED.

ACTION: **APPROVED AMENDMENT.**

COUNCILMEMBER COCHRAN: Chair?

CHAIR CARROLL: Yes.

COUNCILMEMBER COCHRAN: Chair, Item I, I just wanted a little more explanation on what that means, exemption from State General Excise Tax.

MR. UEOKA: Chair?

CHAIR CARROLL: Mr. Ueoka.

MR. UEOKA: Thank you, Chair. Under 201H-37, the developers are allowed to seek a certain exemption from paying certain elements of the State General Excise Tax. We just put it in there so the Council's aware, but it's not necessarily something that the County can grant so we just wanted to make sure that the Council knew that they'll be seeking an exemption from the State Excise Tax...State General Excise Tax for this project. Thank you, Chair.

CHAIR CARROLL: Thank you.

COUNCILMEMBER COCHRAN: So thank you. So, Mr. Ueoka, it's something that's already entitled...it's already allowed is what you're saying in 201H process application and you're just stating it so we know, but we have no say one way or the other. Is that what...you just said that, yeah?

CHAIR CARROLL: Mr. Ueoka.

MR. UEOKA: Thank you, Chair. Yes, it exists in 201H-37.

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COUNCILMEMBER COCHRAN: And just for an example though, so I'm just trying to figure out this is allowing them what? Not to pay taxes on the sales of the lot, not to pay...what are they getting exempted out of?

CHAIR CARROLL: Mr. Ueoka?

MR. UEOKA: I'm not overly familiar with it because I don't do these, but my understanding is this, when they are buying things and stuff, they don't have to report for I believe it's some type of General Excise Tax thing. There's requirements when they buy and pay for things because everything is taxed under the GET. So it's just a savings for them to hopefully pass on to the buyers. Thank you.

CHAIR CARROLL: Mr. White?

COUNCILMEMBER WHITE: Just to point of fact, there's no excise tax on the sale of real estate. It's just the conveyance tax.

CHAIR CARROLL: Anything further for any of the Department Heads or Mr. Ueoka?

MS. NAKATA: Mr. Chair, could Staff request a two-minute recess?

CHAIR CARROLL: We stand...recess to the call of the Chair. . . .(gavel). . .

RECESS: 3:10 p.m.

RECONVENE: 3:12 p.m.

CHAIR CARROLL: . . .(gavel). . . This Land Use Committee meeting is called back to order. Members. . .

COUNCILMEMBER SUGIMURA: Jeff? Okay, you ready?

CHAIR CARROLL: Ah, there Mr. Ueoka. Yes, we don't want to start without our Corporation Counsel. Alright, Members, I want to read this into the record and have confirmations from Mr. Ueoka on part of it. By correspondence...yes, we need to talk louder. By correspondence dated October 16, the consultant advised this Committee that GTH Land Company LLC is now in good standing with the DCCA. Subsequently, on October 17, 2017, Chris Hart & Partners transmitted a printout from the Department of Commerce and Consumer Affairs showing GTH Land Company Incorporated is in good standing. The developer...is the developer proposing to substitute GTH Land Company Incorporated for GTH Land Company LLC as the developer of the project?

MR. HART: Yes, Chair. One of the things that did occur as well with the DCCA is that the entity went through a conversion which is changing from as...anyway, it changed from an LLC to an INC through the DCCA process. So that was something that the printout identified. So that's on the record with the DCCA that we're not changing the entity.

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The entity went through a legal conversion of basically the way it's treated legally and the way it's taxed.

CHAIR CARROLL: Corporation Counsel, do you see any problem with that?

MR. UEOKA: I don't see any problems with that. Thank you, Chair.

CHAIR CARROLL: Alright. You can stay up there and stand up. I'd like you to confirm the current owners of the property as it's going to affect the conditions and the draft unilateral agreement.

MR. HART: The current landowners as reflected on real property taxes is Tom and Nancy Hoeffken and Tom is here.

CHAIR CARROLL: Thank you. That's all. Alright, Members, and we wanted that on the record for the obvious reasons. Is there anything else before I give my recommendation?

COUNCILMEMBER SUGIMURA: Recommendation.

COUNCILMEMBER COCHRAN: Chair? You can let Mister...okay, Chair?

CHAIR CARROLL: Oh. Yes, Ms. Cochran.

COUNCILMEMBER COCHRAN: I noticed also in this packet of updated paperwork in regards to DCCA, there's also an update on you folks wanting to extend the SUP for the mining and extraction activity mauka of the project. Is that right? You're gonna look for an extension of three years on that? And that's not stated in the existing EA and what have you. Has it been discussion about that?

MR. HART: Well, okay, that's. . .

COUNCILMEMBER COCHRAN: It's gonna affect the project.

MR. HART: Chair, if I may respond? Technically, they're separate and we're actually not...so anyway, to cut to the chase, they do intend to extend the quarry life and part of the purpose of the quarry is going to be to develop the roadways for this subdivision. So they're gonna be quarrying basically onsite, you know, at that existing quarry 300 feet away and using that aggregate to construct roadways for this subdivision. Based on comments from the applicant in a prior meeting with the Councilmember it's not anticipated that the quarry is intended to extend beyond the life of this subdivision at this time. However, I do want to bring up that a community member who lives in the vicinity was on the Hana Advisory Committee when the Special Use Permit was approved and he's a neighbor to Councilmember Carroll and is of the opinion that there's no impact to the community from the operation of the quarry. I think that due to the scale of the operation, the scale of the civil contracting company that's operating

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it, it's just not a high traffic quarry and it's not a high volume of material moving around, but it is critical to making this project. One of the reasons they're able to control their own cost is because they're quarrying their own material onsite as opposed to trucking in trucks of gravel and other aggregates from Central Maui.

COUNCILMEMBER COCHRAN: So, Chair?

CHAIR CARROLL: Any further discussion?

COUNCILMEMBER COCHRAN: Sorry, Chair? So you just said that this quarrying will not...I mean possibly they're gonna look to extend but you anticipate this quarry not to exceed the life of this project and your existing SUP expires less than a year from now. So you're anticipating all your infrastructure built out before August 2018?

MR. HART: So after confirming with the applicant they're anticipating extending the quarry through the life of this development. They would prefer not to commit to not using the quarry anymore after the completion of this development today. We feel like it's a low impact. It's a low volume of traffic.

COUNCILMEMBER WHITE: The quarry is not on the agenda.

MR. HART: So if it's not necessary for the Council to force them to commit to not using that quarry anymore, it would be ideal not to be bound by that.

CHAIR CARROLL: Excuse me. You know, this is interesting but this is not on the agenda today. Thank you. Alright, anything further?

COUNCILMEMBER CRIVELLO: Recommendation.

CHAIR CARROLL: Members. . .

MR. UEOKA: Chair? Chair?

CHAIR CARROLL: Yes.

MR. UEOKA: Just for make our record clear today. I believe the exemption list attached to the October 17th transmittal to Director Goode should be substituted in for...and I'm making the assumption that you'll go with an exemption list through today of course, substitute it in for Exhibit B to the resolution and should be adopted as amended by this body throughout this hearing just for clarification. Thank you, Chair.

CHAIR CARROLL: Thank you. Alright.

COUNCILMEMBER SUGIMURA: You need a motion?

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MS. NAKATA: I don't believe that the Committee was last working from the list from Director Goode, but the revised exemption list from Brett Davis. So if...I think what Corporation Counsel is saying though is that, you know, that that would be the list that would be incorporated. It would replace the current exemption list that's attached to whichever resolution the Committee decides to go with.

MR. UEOKA: Yes, I'm sorry for the confusion, Chair. The one I had was that one but that is correct. It's the one from Mr. Davis that we worked off of today just for clarification. Thank you, Chair.

CHAIR CARROLL: Thank you.

COUNCILMEMBER CRIVELLO: Recommendation.

CHAIR CARROLL: Alright, Members, the Chair will entertain a motion to recommend adoption of the proposed resolution entitled Approving with Modifications the Independent Development of the 100 Percent Affordable Housing Project pursuant to 201H-38, Hawaii Revised Statutes, and incorporating any amendments made at today's meeting and any nonsubstantive revisions that may be needed and to file the two remaining resolutions.

COUNCILMEMBER WHITE: So moved.

COUNCILMEMBER SUGIMURA: Second.

CHAIR CARROLL: Been moved by Mr. White, seconded by Ms. Sugimura. Discussion? All those in favor signify by saying aye.

COUNCILMEMBERS: Aye.

CHAIR CARROLL: Opposed? Motion carried, eight ayes, no noes, one excused.

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VOTE: **AYES:** Chair Carroll, and Councilmembers Atay, Cochran, Crivello, Guzman, King, Sugimura, and White.

NOES: None.

ABSTAIN: None.

ABSENT: None.

EXC.: Vice-Chair Hokama.

MOTION CARRIED.

ACTION: Recommending **ADOPTION** of the resolution with **modification** and **FILING** of the other two resolutions.

CHAIR CARROLL: Members, thank you very much to all the. . .

MS. NAKATA: Chair? Mr. Chair?

COUNCILMEMBER WHITE: We have the second one.

CHAIR CARROLL: Pardon?

MS. NAKATA: Excuse me, we do have LU-46.

CHAIR CARROLL: Oh, wait, wait, wait. We have one more over here. Getting too kind...boy, I tell you. This is one of those days. Alright. I will entertain a motion to recommend passage on first reading of the revised proposed bill entitled a Bill for an Ordinance to Amend the State Land Use District Classification from Agricultural District to Rural District for Property Situated at 4356 Hana Highway, Hana, Maui, Hawaii, Tax Map Key No. (2) 1-3-004:001 (por.), Containing a Total of 7.226 Acres, incorporating any amendments made at today's meeting and any nonsubstantive revisions that may be needed.

MS. NAKATA: Mr. Chair, staff apologizes. Did you reference the revised bill? I apologize. Did you reference the revised bill the Committee received?

CHAIR CARROLL: The revised bill, yes.

MS. NAKATA: Okay. Thank you.

CHAIR CARROLL: I'm sorry. The revised bill.

COUNCILMEMBER KING: So moved.

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COUNCILMEMBER SUGIMURA: Second.

CHAIR CARROLL: Been moved and seconded.

COUNCILMEMBER SUGIMURA: Kelly King and me. Kelly moved, second.

CHAIR CARROLL: Thank you. All those in favor of the motion signify by saying aye.

COUNCILMEMBERS: Aye.

CHAIR CARROLL: Opposed? Motion carried, eight ayes, no noes, one excused.

VOTE: **AYES:** **Chair Carroll, and Councilmembers Atay, Cochran, Crivello, Guzman, King, Sugimura, and White.**

NOES: None.

ABSTAIN: None.

ABSENT: None.

EXC.: Vice-Chair Hokama.

MOTION CARRIED.

ACTION: Recommending FIRST READING of revised bill, RECORDATION of the unilateral agreement, and FILING of communication.

CHAIR CARROLL: Alright, that brings us to the end of our meeting. Thank you again. On behalf of...seriously, on behalf of Hana, on behalf of my children, my grandchildren, my great grandchildren, and all the other people and all the other children of Hana, I'd like to thank the Committee for coming today. Mahalo. This Land Use Committee meeting is adjourned. . . .(gavel). . .

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ADJOURN: 3:23 p.m.

APPROVED:



ROBERT CARROLL, Chair
Land Use Committee

lu:min:171018

Transcribed by: Clarita Balala