



PROJECT OVERVIEW



I. PROJECT OVERVIEW

A. PROPERTY LOCATION, EXISTING USE, AND LAND OWNERSHIP

The Applicant, Ikaika Ohana, was selected by the Hawaii Housing Finance and Development Corporation (HHFDC) to develop a 200-unit affordable multi-family, rental housing project on property identified as TMK (2)4-5-021:003 (por.) in Lahaina, Maui, Hawai'i. See **Figure 1**. The project will encompass approximately 28.5 acres (hereafter referred to as "project site") of the larger 436-acre parcel. See **Figure 2**. The project site is bordered by Keawe Street to the south, single-family residences and Honoapi'ilani Highway to the west (makai), West Maui Mountains to the east (mauka), and the future extension of the Lahaina Bypass Road to the north.

The project is located within the State Land Use "Urban" district. The West Maui Community Plan and Maui County zoning designate the project site as "Agriculture".

Ikaika Ohana is a nonprofit, 501(c)(3) organization with a primary focus of providing low income earning individuals and families with affordable, decent, safe, and community enriched living opportunities. HHFDC has determined that Ikaika Ohana is an eligible developer pursuant to Section 15-307-24, Hawai'i Administrative Rules. The project site is owned in fee simple by HHFDC and will be leased to the Ikaika Ohana for 75 years at \$1 per year.

B. PROPOSED ACTION

The proposed Keawe Street Apartments will consist of 200 affordable, multi-family rental housing units, as shown in **Table 1**. See **Figure 3**.

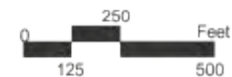
Table 1. Keawe Street Apartment Units

Unit Type	Number of Bedrooms	Number of Bathrooms	Average Interior Square Footage	Number of Units
1	2	2	933	25
2	2	2	956	20
3 ADA	2	2	980	5
4	3	2	1,103	22
5	4	2	1,255	23
6	2	2	908	50
7	3	2	1,085	50
8 ADA	3	2	1,127	3
9 ADA	4	2	1,279	2
TOTAL				200



Figure 1

Proposed Keawe Street Apartments Regional Location Map



Prepared for: Ikaika Ohana

Ikaika\KeaweStApts\Figures\Regional Location Map (REV1)

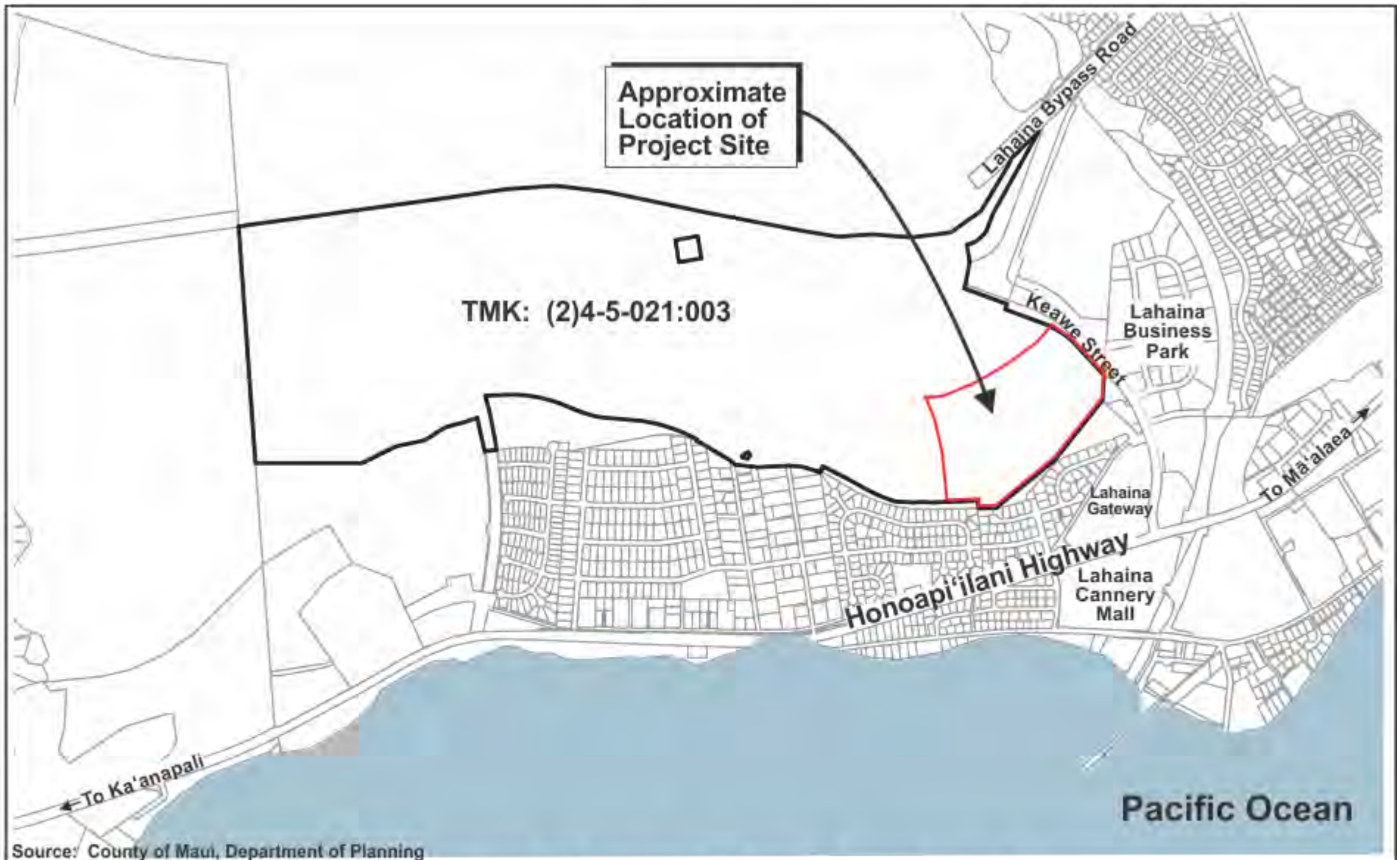


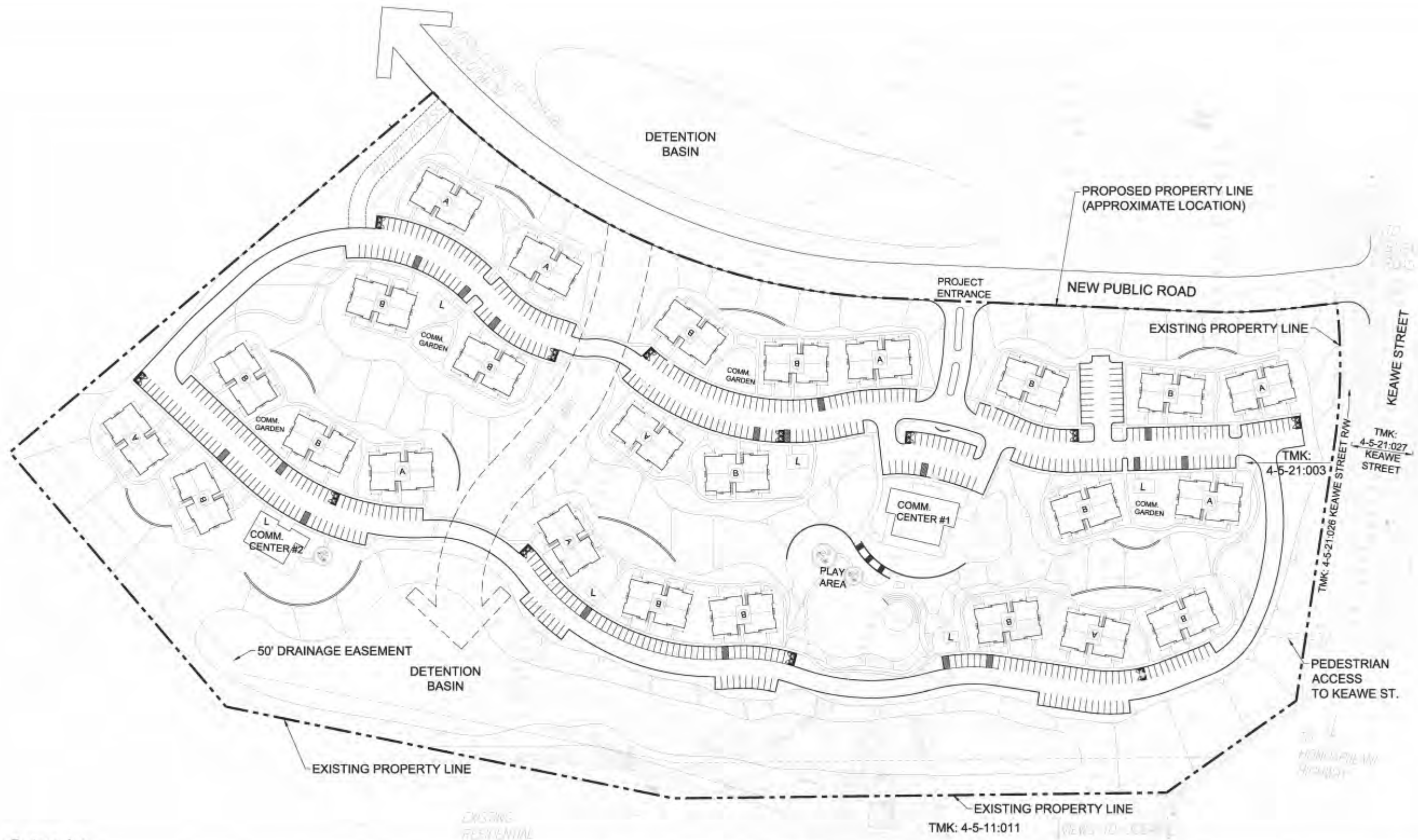
Figure 2

Proposed Keawe Street Apartments Property Location Map



Prepared for: Ikaika Ohana

 MUNEKIYO HIRAGA



Source: Design Partners Inc.

Figure 3

Proposed Keawe Street Apartments Site Plan

NOT TO SCALE



Prepared for: Ikaika Ohana

 MUNEKIYO HIRAGA

Ikaika\KeaweStApts\Figures\Site Plan (REV1)

The proposed project will include 2-, 3-, and 4-bedroom units for rent that will be affordable to households earning less than 60 percent of the Area Median Income (AMI), excluding units dedicated to providing for onsite management, maintenance, and/or social services not to exceed a total of four (4) units. Rent restriction will also be subject to the provisions of Section 42 of the Internal Revenue Code related to tax credits. The Applicant may request the opportunity to do income averaging whereby the average rents cannot exceed 60 percent and no tenant income can exceed 80 percent, subject to approval of the HHFDC in their sole discretion. Additionally, accessory uses will include two (2) community centers, laundry facilities, a playground, community gardens, and off-street parking.

The Keawe Street Apartments will be accessed via a new public road off of Keawe Street. Sidewalks for pedestrian connectivity will be provided within the development, along the new public road, and to Keawe Street. Related improvements will include onsite and offsite drainage, and water and wastewater infrastructure improvements. An offsite detention basin will be constructed just mauka of the project site while an onsite retention basin will be constructed at the western, makai portion of the property. The project will connect to the County of Maui, Department of Water Supply (DWS) system off of an existing 12-inch waterline within Keawe Street. The proposed project will connect to the County of Maui's Lahaina Wastewater Reclamation Facility via Kapunakea Street or Flemming Road. At the time of future development on HHFDC's lands in the region, a new private wastewater treatment plant (WWTP) will be required to service the future development and the Keawe Street Apartments project.

The project will be designed to LEED (Leadership in Energy and Environmental Design) Silver standards. The following project sustainability measures will be implemented:

- Solar water heating
- Low flow plumbing fixtures
- Low VOC paints
- Insulation in walls and roof
- LED lighting
- Energy Star appliances
- Double pane Low-E windows and sliders

C. PURPOSE AND NEED FOR PROJECT

Over the past decade, Maui County's population has steadily increased. In conjunction with this steady population increase, has been the demand for affordable housing. For many years, the County has experienced a number of housing challenges that have made it difficult for working families to afford to live on the island. The amount of affordable, long-term housing options in addition to transportation costs greatly outpace living wages that families are earning. Furthermore, unpermitted vacation rentals remove housing options from the available inventory as well as offshore buyers who purchase additional homes which limit housing options for full-time residents (County of Maui, Department of Planning, 2017).

The issue is further exasperated for West Maui residents, where many families have *kupuna* to take care of, who themselves are often limited in their ability to work. Therefore, those family members work multiple jobs outside of West Maui and must commute to and from each job on a daily basis. Conversely, other Maui residents who live elsewhere on the island rely on work in visitor-related industries, such as hotels, restaurants, and eco-tourism businesses that are located in West Maui. However, due to the lack of affordable housing in West Maui, these residents must also commute to West Maui, increasing travel time to and from work and decreasing the amount of time they are able to dedicate to their families or other jobs (County of Maui, Department of Planning, 2017).

The proposed project would directly contribute to the available inventory of affordable housing on the island. The rental units will be affordable to families earning less than 60 percent of the AMI and will have options for small to large families. Rent restriction will also be subject to the provisions of Section 42 of the Internal Revenue Code related to tax credits. The Applicant may request the opportunity to do income averaging whereby the average rents cannot exceed 60 percent and no tenant income can exceed 80 percent, subject to approval of the HHFDC in their sole discretion.

The proposed project is located in Lahaina, near shopping centers, schools, hotels, and restaurants, mitigating the amount of time that its residents would have typically traveled to get to work. Given the timing of this project within the next two (2) years and the amount and type of affordable rental housing units, this project will address the need for housing in the West Maui area.

D. PROJECT BACKGROUND

It is noted that the proposed Keawe Street Apartments is located within HHFDC's Villages of Leial'i Master Plan. A Final Environmental Impact Statement (EIS) was completed in 2012 for the proposed 1,033-acre mixed-use community with affordable and market rate housing, as well as open space, commercial and light industrial uses, and public facilities. The proposed Villages of Leial'i Master Plan envisioned the development of 2,900 to 4,100

residential uses along with supporting uses and infrastructure. Three (3) conceptual land use plans were assessed with a full build-out horizon of 2036.

HHFDC's objective at the Villages of Leialii is to maximize affordable housing opportunities for workforce and lower- and moderate-income households. The lands underlying the Villages of Leialii are ceded lands and, as such, HHFDC will retain ownership of the lands and lease property to developers.

The proposed Keawe Street Apartments represents the first phase of development of the Villages of Leialii. However, the HHFDC does not have plans for additional development of the Villages of Leialii in the immediate future. As previously noted, Ikaika Ohana was selected by HHFDC as the developer of the proposed 200-unit Keawe Street Apartments and will enter into a 75-year lease for the property.

E. REGULATORY CONTEXT

1. Section 201H-38, Hawai'i Revised Statutes

The Keawe Street Apartments Project meets the criteria of Section 201H-38, Hawai'i Revised Statutes (HRS) as a 100 percent affordable housing project. Section 201H-38, HRS promotes the delivery of affordable housing by allowing the exemption of a project from:

... all statutes, ordinances, charter provisions, and rules of any governmental agency relating to planning, zoning, construction standards for subdivisions, development and improvement of land and the construction of units thereon.

As such, this Section 201H-38, HRS application is being filed with the Maui County Council to request exemptions from various planning, zoning, subdivision, and building code requirements. In particular, it is noted that while the State land use designation for the subject property is "Urban" and the property is located within the Urban Growth Boundary of the Maui Island Plan, the West Maui Community Plan and Maui County zoning designate the property as "Agriculture". See **Appendix "A"**. As such, the 201H-38, HRS application will request an exemption from the need to obtain a Community Plan Amendment and Change of Zoning for the project to expedite the delivery of affordable workforce housing. A complete list of the exemptions being proposed as part of this project are presented in Chapter IV of this Project Assessment Report.

2. Chapter 343, Hawai'i Revised Statutes

The proposed project will involve the use of State lands and funds as well as County lands. As such, compliance with Chapter 343, HRS environmental review is required. On October 23, 2012, a Final EIS was published for the Villages of

Leialii. The Governor's acceptance of this Final EIS was published on December 23, 2012.

The proposed mixed-use community assessed in the Final EIS envisioned the development of 2,900 to 4,100 residential units along with supporting uses and infrastructure. Three (3) conceptual land use plans were assessed with a full-build out horizon of 2036. In addition, various infrastructure development concepts were analyzed, including the development of an onsite wastewater treatment plant or connection to the County's Lahaina Wastewater Reclamation Facility.

Following consultation with State, County, and community stakeholders, the HHFDC published a determination in the September 23, 2019 Office of Environmental Quality Control (OEQC) Environmental Notice confirming the currently proposed Keawe Street Apartments project scope of work is substantively similar to the project scope that was described in the 2012 Final EIS and no supplemental EIS is required. See **Appendix "B-1"** and **Appendix "B-2"**.

3. Title 18, Maui County Code, Subdivisions

The proposed Keawe Street Apartments will be located on an approximately 28.5-acre portion of TMK (2)4-5-021:003 (Parcel 003). A Subdivision Application has been filed to consolidate two (2) lots, Parcel 003 and the adjoining TMK (2)4-5-021:021, and resubdivide into two (2) lots, the 28.5-acre project site and the remainder of the parcel. In this consolidation and resubdivision action, the number of lots will remain the same. A future subdivision is planned to subdivide the new public road from the remainder parcel.

F. PROJECT COST AND IMPLEMENTATION SCHEDULE

The cost of the Keawe Street Apartments Project is approximately \$112.8 million. The Hawai'i State Legislature has appropriated \$37 million out of the Rental Housing Revolving Fund for gap equity financing for the project. The project will be initiated upon receipt of the Section 201H-38, HRS approval and applicable construction-related permits. The HHFDC Board of Directors has also approved \$5 million from its Dwelling Unit Revolving Fund for interim financing for the project. The project is slated to be completed by the end of 2022.