

## C. Amenities and Community Benefits

Project amenities are available to residents and guests to further a sense of community and belonging. The community center acts as a focal point for residents as well as for the surrounding neighborhood, offering a variety of social programs that will enrich and improve the lives of community members. Social service programs include health and nutritional education and screening programs, financial literacy courses, and after-school tutoring/mentoring programs. The multi-purpose room, open spaces, kitchen, tot lot, bar-b-que area, walking paths, and vistas are all available to residents and encourage outdoor living and the enjoyment of the island's natural beauty. Charging stations and bike racks promote healthy and eco-friendly modes of transportation. Other amenities such as the laundry rooms are located throughout the site at convenient locations making it easier for residents to walk short distances to do laundry, rather than having to get into a car and drive to a distant facility.

## D. Financial Proposal

- The total Project budget is estimated to be \$112,800,000, as shown in the attached Exhibit E, and summarized as follows:

Budget Item	Cost	%
Land	\$1	0.0
Site Work	24,803,895	21.9
New Construction	55,196,105	48.9
Contingency	8,400,000	7.5
Architectural and Engineering Fees	2,100,000	1.9
Interim Costs	5,611,150	5.0
Financing Fees and Expenses	1,385,500	1.2
Soft Costs	6,668,349	5.9
Syndication Costs	200,000	0.2
Developer Fees	7,200,000	6.4
Project Reserves	1,235,000	1.1
Total	112,800,000	100.0

The total Project cost per unit is \$564,000/unit. The total Project cost per unit for all proposals received ranged from \$499,712/unit to \$564,000/unit.

In September 2018, the Developer commenced construction of the substantially similar 120-unit Kaiwahine Village Apartments tax credit rental project in Kihei, Maui, which served as the basis for the Developer's estimates for this Proposal.

The Developer explains that there are three primary reasons for the cost per unit being higher for this Project than Kaiwahine. First, the poor site conditions of Keawe versus Kaiwahine. As such there is more costs to cut and fill per acre, the addition of more retaining walls per acre, and the cost of the development of new roads. Second due to the poor quality of the land, the sewage processing plant, and the retention basin, there is less density per acre. This means that more land needs to be graded and cut and filled. Third, the requirement for the private sewage treatment plant.

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There are two issues that may have additional material negative impacts on costs as presented. First, the proposed costs represent what the Developer would expect to pay today based upon what he knows. They have not trended these numbers because of the uncertainty of doing so. The costs may go up or they may go down. Second, the cost of the improvement of the land and the sewage treatment facility is based on an educated guess by an experienced contractor and engineer and qualified sub-contractor, but there are no plans. The Developer mitigated these two risks by including a 10.5 percent contingency of the construction contract and by using Kaiwahine to provide a reasonable estimate from pad up development because the buildings are substantially similar to those used at Kaiwahine. The Developer further mitigated a dramatic increase in costs by using less land by increasing density and reducing the overall grading and retaining walls that are required.

2. The estimated financing plan for the Project is as follows:

Source of Funds	Interim	Permanent
Construction Loan	\$57,528,000	\$0
Permanent Loan	0	11,470,000
Federal 4% Tax Credit Proceeds	5,337,735	43,355,420
State 4% Tax Credit Proceeds	1,799,265	14,610,353
Rental Housing Revolving Funds	36,800,000	37,000,000
Deferred Park Fees	2,800,000	2,800,000
Deferred Reserves	1,235,000	0
Deferred Developer Fees	7,200,000	3,564,227
Total	\$112,800,000	\$112,800,000

E. Management Proposal

The Developer proposes the following plan for rental of the units:

The Developer will begin working with potential tenants nine months prior to the first building being completed. The long lead time will allow the Developer to advertise the availability of the units, receive the applications and check them for completeness, request all information that is needed for a tax credit rental (verifications of employment or other income, assets, criminal and credit history, interview applicant, etc.). It is imperative that the units are rented up as soon as the buildings are completed. The Developer anticipates that there will be at least two to three families that will be waiting for each available unit. Leases can be signed prior to move in once a move-in date has been determined. There will not be any delay in getting the units filled as the application process is running concurrently with the construction. Furthermore, the Developer anticipates a short window to move in so they will provide additional resources during the initial move in. Examples would be additional labor and garbage pick-up.

F. Completion Schedule

1. Everything would need to be near perfect to complete the last units by December 31, 2021. In part because of the serial nature of some of the tasks and in part because the construction period will likely be longer than the 14 months projected for the Developer's Kaiwahine Village Apartments.