

## PSLU Committee

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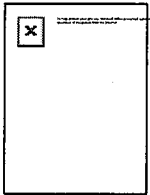
**From:** Sandra Duvauchelle <sandy@lehuabuilders.com>  
**Sent:** Friday, July 10, 2020 3:30 PM  
**To:** PSLU Committee; Tamara A. Paltin; Ana L. Lillis  
**Subject:** Fwd: [...] Message from KM\_C258  
**Attachments:** SKM\_C25820071015310.pdf

Aloha,

Please see attached ....

Thank you....

*Sandra Duvauchelle*



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----- Forwarded message -----

From: <[scannerlehuabuilders@gmail.com](mailto:scannerlehuabuilders@gmail.com)>  
Date: Fri, Jul 10, 2020 at 3:26 PM  
Subject: [...] Message from KM\_C258  
To: <[sandy@lehuabuilders.com](mailto:sandy@lehuabuilders.com)>

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July 10, 2020

Kilohana Makai CIZ

Response to Councilmember King's proposed conditions:

Before I address each condition, I feel the need to share with you our company's mission statement and how we plan our projects. When we plan a project, it is to provide the buyers with the most and the best that we can fit into a budget, backing into construction costs, based on the sales price of the homes being capped by sales guidelines. These conditions are based on the following philosophy:

- 1) Homes are for our hard-working families and workforce throughout Maui County.
- 2) All homes are built of the same quality. The lower income range homes do not differ from the highest range. The reason is we want to build a strong sense of community, pride in ownership and have every homeowner feeling equal.
- 3) To build in the areas of smart growth - where working members can live where they work is mostly in the higher end communities. We put work, thought and design into the exterior of the homes so they require little maintenance and the owners can feel part of the overall community surrounding them, no stigma or shame.
- 4) The quality of the finishes and materials are something we take seriously; as first-time buyers have usually allocated their savings by the time closing comes. We want them to move into a turnkey home, and not burden them with more expense.
- 5) Our feeling on deed restrictions. In order to make the monthly mortgage payment, HOA dues and also properly maintain their home and landscaping – will sometimes require an individual (or a couple) to work multiple jobs. It is their absolute right to gain equity in their home, as they have earned it! Each buyer is fully vetted by the qualification process as called out in 2.96. The long deed restriction (or perpetuity) does NOT give the buyer a feeling like what they have acquired is really “theirs”. If life's circumstances should force them to sell, and they have done a good job maintaining and improving their home - it will appraise well. If they haven't, the appraisal will be less. That is the fluctuation in their equity model. If there is no hope to gain any equity and help pay bills, fund an addition (growing family) or other home improvements, even a college fund for their kids - where is the incentive to truly LOVE their home? The deed restriction is a deterrent. What's the difference from renting? This is why a lengthy deed restriction (or perpetuity) does not work.
- 6) We are not just trying to provide a box so there is a roof over the heads of our hard-working families, we are providing our working-class families with a real home and yard for their children within a safe community. It is a win-win, as it instills confidence in each first-time homebuyer, and generates pride of ownership. Adding conditions will add cost and no doubt lessen the quality of the home product that we pride ourselves on delivering. This team feels these conditions that are being proposed will exploit the buyers, which is a direct result of additional conditions.
- 7) We are giving our communities and buyers a hand up. Not a hand out!

Proposed Conditions:

- 1) Already approved
- 2) Already approved
- 3) Before any of the civil design work is complete, we commit one footpath, location to be determined by design availability.
- 4) We ask the committee to not burden the project with landscape design requirements, we have already committed there will be perimeter fencing and landscaping, but exact width and location again will be determined by subdivision design.
- 5) No concerns
- 6) The commitment has been made to remove the 8,000 sq ft area as a home lot, do not burden this project with a park requirement as it is not required in a 100% workforce housing project. We will have a beautifully landscaped project but eliminating 2 homes will definitely reduce the overall product quality, again impacting our local buyers.
- 7) Drainage will be fully designed by our civil engineer, a drainage report will be prepared by a consultant to back up the drainage design and the County engineering department also review and sends out to a 3<sup>rd</sup> party expert drainage review for comments. As we heard from Public Works the permeable pavement is not a process that is widely used and extensive maintenance is required to keep it functional, again burdening homeowner with additional cost.
- 8) All our homes are built to Maui County and International Building codes, making this a condition may impede our ability to provide a much more energy efficient system like we did at Kaiaulu which provides the hot water heating system by photo voltaic and provides 4 photo voltaic panels on the roof as a starter. We can commit to add rough in for a future photo voltaic system.

The Development Team

Howie Kihune Jr.

Jeff Kihune

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