

AH Committee

From: Tracy Nakamoto <tracy@munekiyohiraga.com>
Sent: Monday, September 27, 2021 10:09 AM
To: AH Committee
Cc: 'Jeff Furuta'; Gary Furuta (gary@gsfhi.com); andrew@gsfhi.com; Alison N. Stewart; Laksmi M. Abraham; Kari Luna Nunokawa; Tessa Munekiyo Ng
Subject: Affordable Housing Committee Meeting – September 27, 2021
Attachments: AHC response letter.pdf

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To: Affordable Housing Committee Staff

From: Kari Luna Nunokawa, Ed.D.
Senior Manager

Attachment:

1	9/27/21	Hale Pilina Family Affordable Rental Housing Project response to Councilmember Gabe Johnson's questions
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Message:

Aloha!

Please see the attached letter in response to Councilmember Gabe Johnson's questions regarding the Hale Pilina Family Affordable Rental Housing Project's Chapter 2.97 application.

Mahalo! Kari

Tracy Nakamoto, Administrative Assistant

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September 27, 2021

Via email: ah.committee@mauicounty.us

Councilmember Gabe Johnson, Chair
Affordable Housing Committee
Maui County Council
200 South High Street
Wailuku, Maui, Hawai'i 96793

SUBJECT: Housing Projects Under Chapter 2.97, Maui County Code: Hale
Pilina Rental Housing Project (Kahului) (AH-2(1))

Dear Councilmember Johnson and the Affordable Housing Committee:

Mahalo for your letter dated September 23, 2021 and received by our office on September 24, 2021. We appreciate the opportunity and are looking forward to present to the Affordable Housing Committee on Monday, September 27, 2021. On behalf of the Catholic Charities Housing Development Corporation ("CCHDC"), we offer the following responses to the questions in your letter.

1. **Question** – *What is the estimated value of the requested exemptions from fees and assessments?*

Response – \$1,728,600. See schedule below.

<u>Estimated Value—Fees and Exemptions</u>	<u>\$1,728,600</u>
1. Disposal Permit Fee and disposal charges	\$328,200
2. Water Assessment Fee	208,600
3. Fire, Electrical, Plumbing, Building Fees	940,000
5. Grubbing & Grading Permit Fee under Sec.20.08.090(D))	1,800
8. Water System Development Fee	250,000

2. **Question** – *What is the estimated value of all of the requested exemptions, i.e. the cost savings to the project by not having to meet the specified requirements?*

Response – \$2,615,858. See below schedule of quantifiable exemptions.

<u>Estimated Value – All requested exemptions</u>	<u>\$2,615,858</u>
Estimated Value – Fees and Exemptions (see #1, above)	\$1,728,600
9. Undergrounding existing electrical	\$887,258

The above estimated quantified \$2,615,858 values exemptions 1, 2, 3, 5, 8 and 9. However, just as important, exemptions 4, 6 and 7, provide for significant time savings and indirect cost savings.

4. Exemption from the need to seek a Community Plan Amendment and Change of Zoning to expedite affordable housing development
6. Permit multi-family residence use in accordance with A-2 Apartment District development standards
7. Allow parking to 250 stalls for the 179 units, based on 1 stall per 1-bedroom unit and 2 stalls per 2-bedroom unit

These exemptions will significantly further **reduce costs** and **expedite** the delivery of direly needed very low-income rental units on Maui. For example, the exemption from the need to obtain a Community Plan Amendment and Change of Zoning eliminates at least one (1) year in the planning and entitlement process. The results are, i) avoidance of escalating construction costs, ii) loan interest charges, etc., and iii) most importantly, advancing the delivery of affordable housing into Maui County's limited inventory. Regarding parking, in CCHDC's experience with the 30%, 50%, and 60% Area Median Income (AMI) target market the project team serves, the 250 parking stalls planned for Hale Pilina's 179 units should be more than adequate, providing an additional 71 stalls for guests and overflow needs.

3. Question – *What would be the estimated cost of underground utility lines?*

Response - The estimated cost of undergrounding one (1) utility line on South Pu'unēnē Avenue is \$887,258.00. This cost did not include the architectural and engineering, general contractor overhead fees, bond and insurance costs.

4. Question – *What would be the estimated cost of additional parking stalls for the one-bedroom units?*

Response – The preliminary estimated construction cost of a parking lot stall may be approximately \$5,000 – \$10,000, and possibly higher.

The project team's experience indicates that for 179 1-bedroom and 2-bedroom family units at Hale Pilina, more than the planned 250 stalls would not be needed (see #2, above). Beyond costs, more important is that the number of parking stalls and units are a function of land availability and site constraints (e.g., setbacks, open and green spaces, circulation areas, etc.). For example, to provide two (2) parking stalls per unit for the 179 units in Hale Pilina, the master plan changes to 358 parking stalls (excessive in the project team's experience) and 179 units in two (2) six-story buildings. The proposed plan attempts to balance the number of sufficient onsite parking stalls while maximizing the number of units, all in four (4) buildings under 35 ft. in height, and blend with the surrounding area. The proposal opted to maximize the number of affordable units with adequate onsite parking.

5. **Question** – *What would be the estimated cost of adding the green building features suggested by the Department of Planning and the Urban Design Review Board, including PV panels for rooftops and carports; solar hot water and air conditioning; solar exterior lighting; and awnings or window shading.*

Response – Nearly \$5.5M for major energy/sustainable improvements.

Many of the sustainability features recommended by the Urban Design Review Board (UDRB) have been incorporated into the project. The project will be seeking LEED Certification as it will be providing PV carports, solar exterior lighting, as well as PV or solar panels on the apartment rooftops. The cost of these and other sustainability features are significant (major ones are summarized below). The project team continues to explore the possibility to add, in lieu of PV panels on the rooftops, solar panels for hot water and/or air conditioning. The architect is investigating awnings or window shading (possible large cost) for the buildings that will not create ongoing maintenance problems and costs.

Estimated costs energy/sustainable improvements:

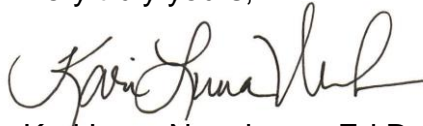
PV carports and batteries	\$2.93M
Solar air conditioning,	\$1.25M
<u>Solar hot water system</u>	<u>\$1.25M</u>
Est. Total	\$5.43M

6. **Question** – *Does the developer expect to pay the full amount of \$424,409 in school impact fees to the State? If not, could those funds be used to offset the cost of underground utility lines, additional parking stalls, or additional green building features?*

Response – Hale Pilina will be a family project and it is anticipated that residents of Hale Pilina may have children attend public schools in the area. The project will be coordinating with the Department of Education and anticipates paying the full amount of school impact fees.

Thank you for the questions regarding the Hale Pilina Family Affordable Rental Housing Project. We hope the responses provided are sufficient and brings further understanding of the project and the exemption being requested. We look forward to presenting the project to the committee and respectfully ask for your support.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Kari Luna Nunokawa', written in a cursive style.

Kari Luna Nunokawa, Ed.D.
Senior Manager

KLN:tn

cc: Michael Magaoay, Catholic Charities Housing Development Corporation
Gary Furuta, GSF LLC
Jeff Furuta, GSF LLC

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