

COUNCIL OF THE COUNTY OF MAUI
LAND USE COMMITTEE

July 5, 2002

**Committee
Report No.**

02-79

Honorable Chair and Members
of the County Council
County of Maui
Wailuku, Maui, Hawaii

Chair and Members:

Your Land Use Committee, having met on November 14, 2001, December 3, 2001, and June 17, 2002, makes reference to County Communication No. 01-251, from Councilmember Jo Anne Johnson, transmitting the following:

1. A draft affordable-housing agreement entitled "AGREEMENT FOR SATISFACTION OF AFFORDABLE HOUSING CONDITION", between the County of Maui and Maui USA Inc., the developer of the Kahana Ridge residential subdivision, through which the County would accept a payment of approximately \$1 million from the developer in lieu of affordable housing;
2. An untitled draft resolution approving the draft affordable-housing agreement entitled "AGREEMENT FOR SATISFACTION OF AFFORDABLE HOUSING CONDITION"; and
3. Other related documents.

By correspondence dated October 4, 2001, Councilmember Jo Anne Johnson transmitted background information relating to Maui USA Inc. and the Kahana Ridge residential subdivision.

By correspondence dated October 11, 2001, the Chair of your Committee requested that the Director of Housing and Human Concerns provide information on the status of efforts to satisfy the affordable-housing condition of the Kahana Ridge residential subdivision pursuant to Ordinance No. 2182.

By correspondence dated November 2, 2001, Maui USA Inc. transmitted information about the Kahana Ridge residential subdivision.

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By correspondence dated November 9, 2001, the Chair of your Committee requested that the Corporation Counsel be prepared to address legal issues relating to the affordable-housing condition of the Kahana Ridge residential subdivision pursuant to Ordinance No. 2182.

By correspondence dated November 13, 2001, the Chair of your Committee transmitted a copy of his letter dated November 9, 2001, to the Director of Housing and Human Concerns, requesting comments on a revised draft affordable-housing agreement between Maui USA Inc. and the County of Maui, through which the County would accept a payment of \$1 million from the developer in lieu of affordable housing.

By correspondence dated November 13, 2001, the Chair of your Committee revised the prior request to the Corporation Counsel regarding legal issues relating to the affordable-housing condition of the Kahana Ridge residential subdivision pursuant to Ordinance No. 2182.

At its meeting of November 14, 2001, your Committee met with the Director of Housing and Human Concerns, the Planning Director, the Deputy Director of Public Works and Waste Management, and a Deputy Corporation Counsel.

Your Committee received public testimony from Madelyn D'Enbeau, providing information about affordable housing in Maui County. She also provided informational documents regarding affordable housing.

Your Committee also received public testimony from Paul Mancini, Esq., representing Maui USA Inc. He requested support for the revised draft affordable-housing agreement through which the County would accept a payment of \$1 million from the developer in lieu of affordable housing.

The Chair of your Committee provided a document entitled "MAUI COUNTY HOUSING POLICY", from the Department of Housing and Human Concerns.

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Your Committee expressed legal and policy concerns about the revised draft affordable-housing agreement. Your Committee deferred consideration of the matter pending further discussion.

By correspondence dated November 19, 2001, the Chair of your Committee requested assistance from the Director of Housing and Human Concerns in negotiating another revised draft affordable-housing agreement with Maui USA Inc.

By correspondence dated November 23, 2001, the Director of Housing and Human Concerns informed your Committee that more time would be needed to negotiate another revised draft affordable-housing agreement with Maui USA Inc.

By correspondence dated November 30, 2001, the Department of the Corporation Counsel informed your Committee that the Council may approve an affordable-housing agreement by resolution.

At its meeting of December 3, 2001, your Committee deferred consideration of the matter without discussion.

By correspondence dated April 1, 2002, the Chair of your Committee transmitted undated correspondence from Doyle Betsill indicating that a new developer would be proposing new means of satisfying the affordable-housing condition of the Kahana Ridge residential subdivision pursuant to Ordinance No. 2182.

By correspondence dated May 2, 2002, Gwen Ohashi Hiraga, Project Manager, Munekiyo & Hiraga, Inc., informed your Committee that the new developer would be submitting a new draft affordable-housing agreement.

By correspondence dated June 10, 2002, the new developer (Kahana Sun LLC) transmitted a new draft affordable-housing agreement under which affordable units would be developed pursuant to Chapter 2.86, Maui County Code, in satisfaction of the affordable-housing condition of the Kahana Ridge residential subdivision pursuant to Ordinance No. 2182. The draft affordable-housing agreement notes that the Kahana Ridge residential

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subdivision consists of approximately 50 acres, with approximately 44.684 acres receiving R-1 Residential zoning by Ordinance No. 2252 in 1993 and the remaining acreage (the subject parcel) receiving A-2 Apartment zoning by Ordinance No. 2182 in 1992.

By correspondence date June 12, 2002, Kahana Sun LLC transmitted a revised draft affordable-housing agreement.

By correspondence dated June 12, 2002, Kahana Sun LLC transmitted a revised Exhibit A to the revised draft affordable-housing agreement.

At its meeting of June 17, 2002, your Committee met with the Director of Housing and Human Concerns, the Planning Director, and a Deputy Corporation Counsel.

Your Committee received public testimony from Rob Parsons, Debbie Montoya, Ezekiel Kalua (on behalf of the West Maui Taxpayers Association), and DeGray Vanderbilt on the need for affordable housing throughout Maui County, including West Maui. Mr. Vanderbilt also submitted written information.

The developer's planning consultant (Michael Munekiyo of Munekiyo & Hiraga, Inc.) provided a computer-generated slide show regarding the revised draft affordable-housing agreement. He provided the following information:

- The proposal is intended to provide affordable housing on an approximately 5.316-acre apartment-zoned parcel at Kahana Ridge pursuant to Ordinance No. 2182.
- Ordinance No. 2182, which enacted A-2 Apartment zoning for the parcel in 1992, included the following condition:

The development of the Property shall be subject to the conditions, covenants and restrictions of an affordable housing agreement as approved by the Council of the County of Maui and executed pursuant to the affordable housing provisions of the Maui County Code, as amended, the obligations of which shall be satisfied within 5 years from the effective date of this agreement.

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- The parcel, which is currently vacant, is located makai of the West Maui Airport and mauka of Honoapiilani Highway at Hoohui Road.
- The project will include up to 120 two-bedroom units. Construction is expected to commence in late 2002 and conclude in late 2004.

Your Committee also received information about the project from Gary W. Zakian, Esq., the developer's attorney; Chris Hart of Chris Hart & Partners Landscape Architecture and Planning, the developer's architectural/landscaping consultant; and Doyle G. Betsill, Managing Member of Kahana Moon LLC, one of the members of Kahana Sun LLC.

After lengthy discussions and deliberations, your Committee and the developer's representatives agreed that the project's units shall be marketed and sold as follows (subject to additional terms indicated in the revised draft affordable-housing agreement):

Percentage of units	Median income range	Number of units	Anticipated price range
10%	80% median income or less	12	\$165,700 or less
10%	81%-100% median income	12	\$165,700 - \$211,700
10%	101%-120% median income	12	\$211,700 - \$262,500
20%	121%-140% median income	24	\$262,500 - \$313,200
50%	141%-160% median income	60	\$313,200 - \$375,800

Your Committee commended the developer for providing affordable housing for West Maui. Your Committee voted to recommend adoption of a resolution approving the revised draft affordable-housing agreement under the terms indicated above and to file the communication.

Your Committee is in receipt of a proposed resolution entitled "APPROVING AN AFFORDABLE HOUSING AGREEMENT WITH KAHANA SUN LLC, PURSUANT TO ORDINANCE NO. 2182". The purpose of the

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proposed resolution is to approve the attached affordable-housing agreement, which incorporates the terms recommended by your Committee.

Your Land Use Committee RECOMMENDS the following:

1. That Resolution No. _____, attached hereto, entitled "APPROVING AN AFFORDABLE HOUSING AGREEMENT WITH KAHANA SUN LLC, PURSUANT TO ORDINANCE NO. 2182", be ADOPTED; and
2. That County Communication No. 01-251 be FILED.

Adoption of this report is respectfully requested.

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