Resolution
No. 09-86

APPROVING THE IMI IKENA APARTMENTS AFFORDABLE HOUSING PROJECT, PURSUANT TO SECTION 3.35.100.A, MAUI COUNTY CODE, PERTAINING TO THE AFFORDABLE HOUSING FUND

WHEREAS, the County of Maui wishes to encourage the provision of affordable housing and suitable living environments for residents of very low to moderate income; and

WHEREAS, DBR DEVELOPMENT, LLC, has requested a $2,750,000 loan from the County of Maui Affordable Housing Fund to serve as gap financing for the construction of its Imi Ikena Affordable Housing Project ("Project"); and

WHEREAS, the Project is intended to be an affordable, multi-family, apartment community in Wailuku, consisting of 28 apartments on 0.76 acres, located at 511 Imi Place, Wailuku, Maui, Hawaii, further described as TMK (2)3-8-037:028; and

WHEREAS, the target population for the Project are families earning up to 60% of the area median income in Maui County; and

WHEREAS, the Affordable Housing Fund Application Form attached as Exhibit "1", further describes the Project; and

WHEREAS, the Project will remain affordable in perpetuity; and

WHEREAS, the Project will provide needed affordable housing to meet the current and growing demand for such housing; and
WHEREAS, pursuant to Section 3.35.100.A, Maui County Code, the Department of Housing and Human Concerns may expend funds from the Affordable Housing Fund on projects that are not contained within the council-approved affordable housing annual plan if separately approved by council resolution; now, therefore,

BE IT RESOLVED by the Council of the County of Maui:

1. That the Imi Ikena Affordable Housing Project, for which an expenditure of up to $2,750,000 has been proposed, is approved pursuant to Section 3.35.100.A, Maui County Code.

2. That certified copies of this resolution be transmitted to the Mayor, the Director of Finance, the Director of Housing and Human Concerns, and to DBR Development, LLC.

APPROVED AS TO FORM
AND LEGALITY

KIMBERLY A. B. SLOPER
Deputy Corporation Counsel
County of Maui
A) Entity Information

Please type or print legibly the following information:

Entity's Name:
DBR Development LLC*

Entity's Tax ID Number:
56-2359267, formed 04/07/03

Entity's Contact Name, Title:
David Billings, Managing Member

E-Mail Address:
dbrllc@sbcglobal.net

Entity's Address:
990 Highlands Drive, Suite 110J
Solana Beach, CA 92075

Phone Number: (760) 579-3191
Fax Number: (760) 634-3224

Please also include the information below if this application is being prepared by a person or entity different from the applicant.

Application Preparer Name:
Horizon Development Consulting, LLC

Application Preparer Contact Name, Title:
Keith Stanley, Managing Member

Application Preparer E-Mail Address:
Keith.stanley@horizondev.com

Application Preparer Phone Number: (925) 287-6467
Application Preparer Fax Number: (925) 287-6468

Application Preparer Address:
1990 N. California Blvd., 8th Floor
Walnut Creek, CA 94596

*The eventual borrower at closing will be a to-be formed limited partnership. The limited partnership is expected to consist of a tax credit investor as limited partner, a for-profit general partner and a non-profit general partner. The for-profit general partner is expected to have several members: DBR Development LLC, Horizon Development Consulting, LLC and Bruce Solari.

The Entity is a:

[ ] public agency
[X] private for-profit entity
[ ] Community Land Trust
[ ] other

Non-Profit Articles of Incorporation (Include copy) N/A
2. TYPE OF USES

A. Use Category: Check the use category(s) that most appropriately describes your use of Affordable Housing Fund Program funds:

- Land Acquisition
- Rehabilitation
- Planning, Design
- Residential Building Acquisition
- New Construction
- On-Site Improvements
- Off-Site Infrastructure
- Other Uses (please specify):

B. Project/Program Type: Check the appropriate activity:

- For-Sale Housing
- Rental Housing
- Rehabilitation
- Other (please specify):

C. Occupancy Information:

Number of households assisted: 27 restricted units and one manager unit (28 total)

At or below 50% of median income: ___
At or below 60% of median income: ___
At or below 80% of median income: ___
Other: __________ One manager unit

Indicate the number of units allotted for each of the following:

Family ______ (not including manager unit)
Elderly ______ Homeless ______
Special Housing Needs ______

In the space provided below, please describe the special housing need served by this project (i.e. mobility impaired, hearing/vision impaired, mentally challenged, etc.).

3. FORM OF ASSISTANCE

County of Maui
Affordable Housing Fund Program
FY 2010 Final Application
Check the appropriate type of assistance:

- [ ] grant
- [X] interest bearing loan (interest rate set at 3%)

If type of assistance is a loan, describe loan terms, loan repayment schedule and identify security/guarantee:

Typical terms for affordable housing projects. Second mortgage. Property is security, non-recourse loan after the construction period. Interest of 3% paid out of residual receipts (cash flow) after payment of limited partner asset management fee and deferred developer fee (if any). Loan term expires at the earlier of the time period in which loan is paid out of cash flow (and/or sales proceeds) or 55-years.

4. PROJECT SUMMARY

A. Project Name: Imi Ikena

B. Location (town/community): Wailuku (511 Imi Place is address)

C. Tax Map Key #: (2) 3-8-037-028

D. Detailed project description [please include an outline of the income categories the project will serve; location of project; total number of units; type of project (homeownership or rental); target group (family, elderly or other special needs group, specify group); form of assistance (loan or grant); use of affordable housing fund program funds (acquisition of vacant land, acquisition of residential building and rehabilitation, new construction, etc.); unit size (no. of bedroom/bath); other funding sources (if firm commitment or tentative commitment); status of entitlements (zoning, district boundary amendment, community plan, 201H variances); environmental review status; site control status; project schedule (from pre-development to occupancy or acquisition of site or building to occupancy); if project satisfies another developer's affordable housing requirement or not; community support, other county, state or federal agencies support or approval and needs analysis for the type of project]:

Please see the attached project description.
E. Provide an overview of a long-term management plan for the proposed project (please include tenant selection process; homebuyer selection process; compliance monitoring plan (annual verification of owner occupancy, verification of homeownership unit kept affordable for 25 years, rental unit kept affordable for life of unit, etc.)

Please see attached management plan.

F. Provide a housing needs analysis for the type of project being developed (if citing information from housing needs studies or market analysis, reference the source document and include the pertinent pages of the source document) (document source if using statistics).

Please see the market study attached.
G. Summary of amount and use of Affordable Housing Fund Program funds:

<table>
<thead>
<tr>
<th>Affordable Housing Fund</th>
<th>TOTAL FUNDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Acquisition</td>
<td>$1,750,000</td>
</tr>
<tr>
<td>Residential Building Acquisition</td>
<td>$0</td>
</tr>
<tr>
<td>New Construction</td>
<td>$8,140,000</td>
</tr>
<tr>
<td>Rehabilitation</td>
<td>$0</td>
</tr>
<tr>
<td>On-Site Improvement</td>
<td>$50,000</td>
</tr>
<tr>
<td>Off-Site Infrastructure</td>
<td>$3,119,255</td>
</tr>
<tr>
<td>Planning, Design</td>
<td>$0</td>
</tr>
<tr>
<td>Other</td>
<td>$0</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$13,059,255</td>
</tr>
</tbody>
</table>

H. What type of project are you planning? (Check all that apply)

- [X] Apartment building
- [ ] Garden Style
- [X] Mid-rise
- [ ] High-rise
- [ ] Cluster
- [ ] Single-family dwelling units
- [ ] Townhouse
- [ ] Duplex, triplex, fourplex
- [X] New Construction
- [ ] Rehabilitation
- [ ] Acquisition

I. Size, number and rent of units:

<table>
<thead>
<tr>
<th>Affordable Housing Fund Program Units</th>
<th>Size</th>
<th>Number</th>
<th>Rent/Sales Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 bedroom units</td>
<td></td>
<td>#</td>
<td>$</td>
</tr>
<tr>
<td>1 bedroom units</td>
<td></td>
<td>#</td>
<td>$</td>
</tr>
<tr>
<td>2 bedroom units</td>
<td>981</td>
<td># 24</td>
<td>$501-828</td>
</tr>
<tr>
<td>3 bedroom units</td>
<td>1,133</td>
<td># 4</td>
<td>$570-948</td>
</tr>
<tr>
<td>4 bedroom units</td>
<td></td>
<td>#</td>
<td>$</td>
</tr>
<tr>
<td>5 bedroom units</td>
<td></td>
<td>#</td>
<td>$</td>
</tr>
</tbody>
</table>

Total number of units in project: 28

J. Number of affordable units and rents/sales price (as a percentage of median income)

Please indicate if it is rents or sales price. (rents shown after utility allowance deduction)
<table>
<thead>
<tr>
<th>No. of Buildings</th>
<th>Studios</th>
<th>1 BR</th>
<th>2 BR</th>
<th>3 BR</th>
<th>4 BR</th>
<th>Total units</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>0</td>
<td>24</td>
<td>4</td>
<td></td>
<td></td>
<td>28</td>
</tr>
</tbody>
</table>

**Gross Building Area in square feet**

<table>
<thead>
<tr>
<th>SF / unit</th>
<th>981</th>
<th>1,133</th>
</tr>
</thead>
</table>

**Total Area**

- Gross Residential Area: 28,079
- Common Area: 0

If you need more space, attach a separate sheet with the information requested above.

**L. Project Amenities**

The Project will include the following amenities:

- Playground/Tot lot
- Picnic Area
- Community Meeting Room
- Elevator
- Laundry Room
- Computer with high-speed internet access
- Barbeque area, 2 parking spaces per unit, insulated buildings, mountain and blue water views, six foot high fencing surrounding property, controlled access entry with wrought iron gates

**L. Unit Amenities**

What equipment/furnishings will be available in each unit?

- Range
- Refrigerator
- Air Conditioning
- Dishwasher
- Washer
- Dryer
- Drapes
- Furniture
- High speed internet access
- Other (describe): Lanai in each unit, 4 handicap units, ceiling fans

**N. Project includes other facilities (if applicable):**
Community Center Facility
Child Care Facility
Other (Describe):

O. Will project have innovative techniques in design, construction, or operation?
   ___ Yes  _X_ No (If "Yes", briefly describe)

P. Provide schematic plans and/or preliminary plans, if available.

Q. Period of Affordability?  ___ 25 years  _X_ In perpetuity  ___ Other

R. Who will own the project?
   1. Prior to completion:  To-be formed partnership consisting of the partners described in section 1 of this application
   2. After construction:  Same to-be formed partnership
   3. After occupancy:  Same to-be formed partnership

S. Parking

How many parking spaces will be provided at the project site? Please complete the table below.

<table>
<thead>
<tr>
<th></th>
<th>Number of spaces</th>
<th>Ratio of Spaces/Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tenant</td>
<td>42</td>
<td>1.5 (42/28)</td>
</tr>
<tr>
<td>Guest</td>
<td>14</td>
<td>.5 (14/28)</td>
</tr>
<tr>
<td>Handicap Accessible</td>
<td>8</td>
<td>29% (8/28)</td>
</tr>
<tr>
<td>Commercial</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>56 (8 of 56 handicap)</td>
<td>2 (56/28)</td>
</tr>
</tbody>
</table>

Will a fee be charged to tenants for parking in addition to rent?  □ Yes  _X_ No

T. Energy Efficiency and Green Building Practices

[X] Project will utilize solar water heating.
[X] Project will install Energy Star certified appliances throughout the project.
[X] Project will install low flow plumbing fixtures which conserve water.
[X] Project will install energy efficient light fixtures in common areas.
[ ] Project will install air conditioning in each unit.
[X] Project will install ceiling fans in each unit.
Project will install a light colored cool roof in each building.
Project will incorporate water-efficient landscaping.
Project will use painted rated low or no Volatile Organic Compounds (VOC).
Project will vent range hood to the outside.

U. Accessible units

<table>
<thead>
<tr>
<th>Number of Accessible units</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Adaptable units</td>
<td>4</td>
</tr>
</tbody>
</table>

V. Availability

Will all of the residential units be available to the general public?  
[X] Yes  [ ] No

If you answered no, please qualify which populations the units will be made available to.

4. SITE INFORMATION

A. Current legal owner of property:  Sand Hill Properties, LLC

B. Street Address (if applicable):  
Owner address is:  15206 Ventura Blvd., Suite 306, Sherman Oaks, CA 91403. The site address is 511 Imi Place, Wailuku, HI 96793

C. Provide the following documents, if applicable:
   1. Preliminary title report
   2. Location map
   3. Project site map
   4. Flood insurance rate map N/A-outside of floodplain
   5. Professional Housing Report (Residential Building Acquisition) N/A

D. Year Residential Building constructed (Residential Building Acquisition)  N/A

E. Total site land area:  32,953 sq.ft.  76 acres

F. Describe the physical characteristics of site (shape, terrain, foliage, structures, etc.)
   Vacant land. Moderately sloping topography from southwest to northeast, natural ground cover, adequate drainage.
G. If applicable, indicate if any of the following conditions apply to the infrastructure servicing the project site by checking the appropriate category:

<table>
<thead>
<tr>
<th>Condition</th>
<th>Yes</th>
<th>No</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Road access to site adequate</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Sewer capacity adequate</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Electrical service adequate</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Water service adequate</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Aquifer serving area adequate</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>6. Storm drainage adequate</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Trash/garbage service adequate</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Fire service adequate</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Police service adequate</td>
<td>X</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Distance to fire station: 1.3 miles (station at 21 Kinipopo Street, Wailuku)
Distance to police station: 1 mile (station at 55 Mahalani Street, Wailuku)

If any answer to the above questions is "No", on a separate attachment describe the deficiency, include the distance needed to bring the infrastructure to the project site and time to complete. Describe any actions being taken, or which must be taken to resolve any potential problems associated with any infrastructure deficiencies.

H. Schools. For new construction projects having more than 50 non-elderly housing units, provide letters from the Department of Education that note (a) the capacity of the school(s) servicing the area of the project, (b) current enrollment, and (c) whether the schools can accommodate the additional students generated by the project.

N/A-project has 28 units. Project has adequate school service.

I. Specify any off-site public improvements required for the project:

N/A

J. Specify any special assessments or impact fees that are or may be required for the project:

The project budget incorporates expected permit processing fees and impact fees. Fees are typical for the project proposed, no extraordinary fees.

K. Land use requirements: Does the project already have the following applicable land use requirements necessary to carry out project proposed? Indicate by checking "Yes" or "No" for each item:

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Yes</th>
<th>No</th>
<th>General Plan</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Land Use</td>
<td>X</td>
<td></td>
<td>General Plan</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Subdivision Ordinance</td>
<td>X</td>
<td></td>
<td>Zoning Ordinance</td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>

If any answer to any question is "No", identify on a separate attachment any actions taken toward obtaining the necessary changes. Estimate the time required for effecting these changes.
Does the project require a 201 H Variance?  Yes  No  
If yes, has it been approved?  
If no, when will it be approved?

L. Site Control:

1. Date of option agreement, purchase agreement, lease agreement, development agreement, land sales contract, or other enforceable agreement: 
   
   Entered into 08 / 03 / 2008  Terminates 10 / 30 / 2009

2. Provide copy of site control (ie. Option, purchase, lease, etc.) agreement. Purchase agreement provided.

3. If entity does not have site control, does entity have a valid commitment of site control?  Yes  No

4. If entity does not have site control or valid commitment of site control, when will site control be obtained?

5. Include appraisal, if available, or other information regarding property value.

   The purchase price was determined based on values of comparable sites and is reasonably near the amount the current owner paid to acquire the land. An appraisal is expected to be completed as part of the closing process. At this point in time, an appraisal is not necessary. Raw land is being acquired, there is no building acquisition.

M. Environmental Considerations: Indicate which of the following environmental concerns are applicable to your project by checking "Yes" or "No":

   Yes  No  NA

1. Project will affect a property designated as a historic site on the State or National Registers of Historic Places. 

2. Project site is located in 100-year flood zone. 

3. Project site is located in a wetland. 

4. Project will require a Shoreline Management Permit. 

5. Project will affect endangered species or their habitats. 

6. Project has manmade hazards or nuisances. 

If any answer to the above questions is "Yes":

Have any of the permits or clearances related to the aforementioned environmental concerns been obtained?  

If "No", identify on a separate attachment any actions taken toward obtaining an environmental clearance and the anticipated time to complete such actions.
Does the proposed project require an Environmental Assessment in accordance to Chapter 343, Hawaii Revised Statute?  

If not required, provide explanation:

Is the Final Environmental Assessment for the proposed project complete (in accordance to Chapter 343, Hawaii Revised Statute)? 

If yes, please submit one set of the completed State Final Environmental Assessment, Finding of No Significant Impact or Environmental Impact Statement. 

If no, when will it be completed? 

Does the proposed project require an Environmental Assessment in accordance to 24 CFR Part 58 (if federal funds are utilized)? 

Is the Final Environmental Assessment for the proposed project complete (in accordance to 24 CFR Part 58)? 

If yes, please submit a copy of the final Federal Environmental Assessment, Finding of No Significant Impact or Federal Environmental Impact Statement. 

If no, when will it be completed? 

If Affordable Housing Fund Program funds or federal funds are utilized for site acquisition, an All Appropriate Inquiry (AAI) and Phase 1 Site Assessment are required to be completed. 

Will Affordable Housing Fund Program funds or federal funds be utilized for site acquisition? Yes No  

If yes, has it been completed? 

If yes, attached a copy of the AAI and Phase 1 Site Assessment. 

If no, when will it be completed? 

N. Community support: (If available, include letters of support from community members, other organizations, government officials, and local elected officials)
O. Does this project involve any relocation of existing tenants or homeowners?
   [ ] Yes  [X] No
   If yes, please describe any proposed relocation assistance:

5. PROJECT SCHEDULE

Indicate the approximate dates for the following:

<table>
<thead>
<tr>
<th>Milestones:</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approval of Zoning Change, Community Plan Amendment, District Boundary Amendment or 201 (H) Variances</td>
<td>Completed</td>
</tr>
<tr>
<td>Projected Building Permit Date:</td>
<td>July, 2009</td>
</tr>
<tr>
<td>Closing of Construction Financing:</td>
<td>July, 2009</td>
</tr>
<tr>
<td>Construction Start Date:</td>
<td>August, 2009</td>
</tr>
<tr>
<td>Construction Completion Date:</td>
<td>August, 2010</td>
</tr>
<tr>
<td>Projected Occupancy Permit Date:</td>
<td>August, 2010</td>
</tr>
<tr>
<td>Placed in service date(^1):</td>
<td>August, 2010</td>
</tr>
<tr>
<td>Achievement of initial occupancy for 100% of the units</td>
<td>October, 2010</td>
</tr>
</tbody>
</table>

6. SOURCES OF FUNDS

A. Identify all potential sources of financing for the proposed project/program in this section and Attachment "A" - Uses and Sources Budget.

\(^1\) If project consists of multiple buildings or phases, please list the projected date of the first building to be placed in service and the last building to be placed in service.
### Permanent Financing

#### 1. Grants

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>Committed</th>
<th>Tentative</th>
<th>Total Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affordable Housing Fund</td>
<td>$2,750,000</td>
<td>$2,750,000</td>
<td>$2,750,000</td>
</tr>
<tr>
<td>HOME</td>
<td>$2,750,000</td>
<td>$2,750,000</td>
<td>$2,750,000</td>
</tr>
<tr>
<td>CDBG</td>
<td>$2,750,000</td>
<td>$2,750,000</td>
<td>$2,750,000</td>
</tr>
<tr>
<td>EDI-SP</td>
<td>$2,750,000</td>
<td>$2,750,000</td>
<td>$2,750,000</td>
</tr>
<tr>
<td>Value of equity in property contributed</td>
<td>$2,750,000</td>
<td>$2,750,000</td>
<td>$2,750,000</td>
</tr>
<tr>
<td>Cash contribution from private source, other than applicant</td>
<td>$2,750,000</td>
<td>$2,750,000</td>
<td>$2,750,000</td>
</tr>
<tr>
<td>Permit or Fee Waiver(s)</td>
<td>$2,750,000</td>
<td>$2,750,000</td>
<td>$2,750,000</td>
</tr>
<tr>
<td>Other</td>
<td>$2,750,000</td>
<td>$2,750,000</td>
<td>$2,750,000</td>
</tr>
<tr>
<td>Other:</td>
<td>$2,750,000</td>
<td>$2,750,000</td>
<td>$2,750,000</td>
</tr>
</tbody>
</table>

#### 2. Loans

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>Committed</th>
<th>Tentative</th>
<th>Total Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affordable Housing Fund</td>
<td>$520,000</td>
<td>$520,000</td>
<td>$520,000</td>
</tr>
<tr>
<td>Local Government Loans</td>
<td>$520,000</td>
<td>$520,000</td>
<td>$520,000</td>
</tr>
<tr>
<td>State Loans</td>
<td>$520,000</td>
<td>$520,000</td>
<td>$520,000</td>
</tr>
<tr>
<td>HOME Loans</td>
<td>$520,000</td>
<td>$520,000</td>
<td>$520,000</td>
</tr>
<tr>
<td>Other Federal Loans</td>
<td>$520,000</td>
<td>$520,000</td>
<td>$520,000</td>
</tr>
<tr>
<td>Private Loans</td>
<td>$520,000</td>
<td>$520,000</td>
<td>$520,000</td>
</tr>
<tr>
<td>Other Financing</td>
<td>$520,000</td>
<td>$520,000</td>
<td>$520,000</td>
</tr>
</tbody>
</table>

#### 3. Applicant cash contribution (other than land)

<table>
<thead>
<tr>
<th>Committed</th>
<th>Tentative</th>
<th>Total Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2,750,000</td>
<td>$2,750,000</td>
<td>$2,750,000</td>
</tr>
</tbody>
</table>

#### 4. Private Foundations

<table>
<thead>
<tr>
<th>Committed</th>
<th>Tentative</th>
<th>Total Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2,750,000</td>
<td>$2,750,000</td>
<td>$2,750,000</td>
</tr>
</tbody>
</table>

#### 5. Other (Deferred Developer Fee)

<table>
<thead>
<tr>
<th>Committed</th>
<th>Tentative</th>
<th>Total Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>$332,960</td>
<td>$332,960</td>
<td>$332,960</td>
</tr>
<tr>
<td>$9,456,295</td>
<td>$9,456,295</td>
<td>$9,456,295</td>
</tr>
<tr>
<td>$2,750,000</td>
<td>$2,750,000</td>
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<tr>
<td>$10,309,255</td>
<td>$2,750,000</td>
<td>$13,059,255</td>
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**Total Project Funds** $10,309,255 $2,750,000 $13,059,255

Note: there are commitments from investors for purchase of low-income housing tax credits, although the tax credit allocation is not yet obtained and that application is being made February 27, 2009.

**B. Explain how all of the Affordable Housing Fund Program funds allocated for this project/program will be expended within 36 months of commitment of Affordable Housing Funds Program funds?**

Project is expected to be constructed and all funds are expended well within the 36-month requirement. The project approvals are completed and the project should be ready to close and begin construction shortly after all the financing is committed.

**C. Describe fund sources unsuccessfully attempted:** N/A
D. Provide Attachment "A" - Uses and Sources Budget. Use the format provided (or another comparable format prepared by your organization for your proposed project). Provide name of individual or company who prepared budget.

Budget prepared by DBR Development LLC and Horizon Development Consulting, LLC

Provide Attachment "B" - Operating Pro Forma budget (rental projects only). Use the format provided (or another comparable format prepared by your organization for your proposed project). Provide name of individual or company who prepared budget.

Budget prepared by DBR Development LLC and Horizon Development Consulting, LLC

7. NARRATIVES

A. ANTICIPATED RESULTS

Describe the results you expect to achieve. Explain how the proposed activities are directly related to the priority housing need described and what anticipated direct and indirect results of the project will be. Include information on the length of commitment to the original target population, the continued affordability of the assisted housing in terms of monthly rent, and other program results that help illustrate the overall benefit of the project.

The proposal is to close on the construction financing during 2009 and construct the 28-unit project. The construction period is estimated to last one year and the lease-up period should last one or two months (some units can potentially be pre-leased as end of construction nears). The unit sizes will be 2 and 3 bedrooms with average square footage of 981 SF and 1,133 SF, respectively. 7 of the units will be restricted at 40% of area median gross income (AMGI), 14 units at 50% AMGI, 6 units at 60% AMGI and one unit is reserved for property management personnel.

The unit mix will serve the community by providing needed housing for low-income working families. The low-income restrictions on the project will be in perpetuity and low-income rent requirements will be in place for the entire period.

The project will also help revitalize the immediate neighborhood and as with any new construction project, will provide construction jobs to the community.

B. LEVERAGING

Provide a description of all efforts to leverage or match funding from non-County sources for the subject project. Also, describe all non-County sources that will assist with project or program implementation and management (discuss sources in the order listed in Section III(A) of application). Identify whether commitments are firm or tentative and under what circumstances tentative commitments will become actualized. Please attach commitment/reservation letters of other project/program funding sources that are in place. Briefly describe the general terms and conditions of other resources and give their expiration date(s). For non-cash contributions, detail how dollar amounts were calculated.
The project financing includes the following permanent period sources:
1. Low-income Tax credit Equity (estimated $9,456,295)
2. Permanent Loan (estimated $520,000)
3. Deferred Developer Fee (estimated $332,960)
4. County of Maui Loan ($2,750,000)

The project financing includes the following construction period sources:
a. Low-income Tax credit Equity (estimated $3,782,518)
b. Construction Loan (estimated $5,521,532)
c. Deferred Developer Fee (estimated $1,005,205)
d. County of Maui Loan ($2,750,000)

The construction loan, permanent loan and deferred developer fee sources are committed. There are commitments from investors to purchase the low-income housing tax credits. An application for a low-income housing tax credit allocation is being submitted to the State of Hawaii on February 27, 2009. Beyond the need to obtain a low-income housing tax credit allocation, there are no terms/conditions of financing sources that are reasonably expected to pose an obstacle for this project.

In terms of implementation and oversight, the low-income housing tax credit source will serve the County in a couple ways. First, there is a deadline to complete full construction of a project receiving 9% low-income housing tax credits. This deadline is 24 months after the year of allocation. While this project is not expected to take that much time to construct, this deadline can provide additional comfort to the County that the construction will be completed within the County’s 36-month requirement. Second, the State of Hawaii and the tax credit investor will provide substantial oversight of the project and ensure that the project is being constructed effectively and timely and that the project is operated efficiently.

For both the construction and permanent periods, the County of Maui loan requested equals 21.06% of the total expected costs. All efforts to effectively leverage County funds are being made.

C. PROGRAM DESIGN
Describe the proposed project activities. Describe how the housing units and/or services proposed will be developed and marketed to eligible participants and what kind of screening procedure, if any, will be used. Outline the relationship of this proposal to established local housing and community development plans and strategies. For special needs housing projects, describe in detail the services that will be provided or coordinated for the property’s residents. Describe any known opposition to this proposal. Give enough detail to clearly illustrate all activities associated with the proposed project or program.

The project will provide 28-units of affordable housing to qualified tenants. There is no known opposition to this proposal. In order to meet the requirements of the low-income housing tax credit program and the needs of the County, a Tenant Income Certification will be required to be completed for each tenant upon move-in. The Tenant Income Certification will document the 12-month projected income of the tenant and ensure that the tenant income is within the applicable limit. Verification of the income sources will also be obtained to support the Tenant Income Certification.

Beyond the income requirements, there are no additional restrictions proposed for tenants to occupy the units. The proposal is designed to meet the community’s need for affordable housing without imposing other burdensome requirements that would exclude potentially qualified tenants.

8. APPLICANT EXPERIENCE
A. Provide name, address, contact person and phone number of the organization who will develop, manage, coordinate and implement the proposed project:

Name: DBR Development LLC
Address: 990 Highlands Drive, Suite 110J, Solana Beach, CA 92075
Contact Person: David Billings
Phone Number: (760) 579-3191

Name: Horizon Development Consulting, LLC
Address: 1990 N. California Blvd., 8th Floor, Walnut Creek, CA 94596
Contact Person: Keith Stanley
Phone Number: (925) 287-6467

B. Describe your capacity to carry out the proposed project. Submit relevant documents (i.e. applicable licenses to operate project, permits, etc.)

Upon construction, the project is expected to be managed by EAH, a nonprofit housing corporation. EAH is highly experienced in developing and managing low-income housing properties in Hawaii and California. EAH maintains its properties in a quality manner that is focused on keeping projects in upstanding condition, as opposed to merely focusing on keeping expenses low. Organization documents for EAH are attached.

The construction contractor will be a local organization that is fully licensed. The expected general contractor at this time is Betsill Brothers Construction, Inc. located on the island of Maui. Information on Betsill Brothers Construction, Inc. is provided.

C. Describe the qualifications and experience of your organization and individual(s) who will manage the development of the project and manage the rental housing project. Submit detailed description of experience and ability to implement project.

DBR Development LLC will be responsible for managing the overall development of the project. DBR Development LLC has extensive experience in the development of affordable housing from both a management and a finance capacity. David Billings as principal has been involved with the development and financing of hundreds of units and been involved in dozens of affordable housing projects. Detailed information on this partner's experience is provided.

Horizon Development Consulting, LLC will be responsible for the financing aspects of the project through closing and the accounting functions of the project upon completion. Horizon will also assist as necessary in the other aspects of the development. Keith Stanley as principal has experience as a consultant in financing affordable housing projects with project costs totaling billions of dollars. Detailed information on this partner's experience is provided.

Bruce Solari will be responsible for the property management oversight and asset management of the project. Bruce Solari is an owner of Solari Enterprises, Inc., a property management company that is involved in the management of over 4,000 of affordable rental housing. Information on the experience of this partner is provided.
D. Submit resumes of key personnel involved in the development, implementation and/or management of the rental housing project.

See attached

E. Describe past experience relevant to the proposed housing project.

1. Complete the following information for all government (federal, state or county) funded project(s). Attach additional pages for each project, if needed:
   a. Name of Project_________________________________________
   b. Project Address________________________________________
   c. Date project started ___________  Date completed _________
   d. Total grant/loan amount __________________  Source __________
   e. Provide a brief description of project:

Please see the information provided under the tab for resumes. Additional information will hopefully be provided upon request. Completing the above information for each project out of dozens of projects requires a time commitment and therefore, we have attached information that is readily available at this time. If more information is desired, the request will be promptly fulfilled.

2. Describe any problems encountered in carrying out project:

Each project has its unique challenges. However, no major problems have been encountered on the projects developed by DBR Development LLC that prevented successful implementation of the project. The same is true for funded projects in which Horizon Development Consulting, LLC was fully involved as a housing consultant.

Bruce Solari as owner of Solari Enterprises, Inc. is involved in the management of thousands of affordable rental units. While there certainly have been challenges with some of the properties in that large portfolio, overall the properties have been well managed. This is also true with EAH, the proposed management company for this project.

3. Describe any amendments to the original proposal subsequent to receipt of government (federal, state or county) funding:

There have been no known material changes to the projects after receipt of funding ("material" includes items such as number of units, number of affordable units, services proposed, etc.).

For the proposed Imi Ikena project, all efforts will be made to make conservative assumptions on development costs and financing sources in order to avoid the risk of having cost increases that cannot be covered by financing sources originally provided.

4. Any differences between the anticipated and actual accomplishments of the project (if, for example, a different number of housing units were built, etc.)

N/A

5. If the project is not yet complete, indicate why:
The projects developed by DBR Development LLC are complete. Horizon Development Consulting currently has involvement with some projects at various stages of the development process (applying for funding, constructing project, lease-up, etc.).

F. Legal Status of Applicant (check, as applicable):

A. Corporation: Non-profit ___ or For-profit ___

Partnership: General ___ or Limited ___

Joint Venture (explain)

Note: If the proposal is submitted by a partnership or joint venture, composed of two or more individual firms, then each member firm must submit all information listed on this form, and in addition answer the following:

(a) Members of Joint Venture
(b) Date of Joint Venture Agreement
(c) State of Registration: California entities (to-be formed partnership for the ownership entity will be a Hawaii limited partnership)
(d) Does the agreement between members comprising joint venture make them jointly and severally liable? If not, state terms of agreement in this regard. All members are expected to be liable.
(e) Certified copy of Partnership Agreement. Organization documents are included for each member of the general partner. The partnership agreement for the to-be formed limited partnership will be established at the time of closing, when the tax credit investor is admitted to the partnership.

The eventual borrower at closing will be a to-be formed Hawaii limited partnership. This limited partnership is expected to consist of a tax credit investor as 99.99% limited partner, a for-profit general partner and a non-profit general partner. The for-profit general partner and developer will be a Hawaii limited liability company and is expected to have several members: DBR Development LLC, Horizon Development Consulting, LLC and Bruce Solari. Each of these members will have a 1/3 interest in the general partner entity. The entities will be fully formed with executed agreements prior to closing on any funding, including the proposed loan from the County of Maui.

B. The Offeror, if a corporation, was organized on ____________ under the laws of the State of ____________. (Attach Certified copy of Articles of Incorporation and Bylaws, or Certified copy of Partnership Agreement. Non-profit corporations are to attach a copy of the IRS tax-exempt determination).

C. Have you ever failed to complete any work awarded to you? No. If yes, when, where and why?

D. Has any officer or partner of your organization in the past five (5) years been involved with some other organization that defaulted on a federally funded contract? No. If yes, state name of individual, name of owner and reason therefore?
E. Has any officer or partner of your organization in the past five (5) years been involved with some other organization declared ineligible to participate in any governmental assisted contract? ( ) Yes (X) No

If "Yes", please explain:

F. Has any officer or partner of your organization ever filed a petition of voluntary bankruptcy? ( ) Yes (X) No

L. Has there ever been filed a petition or involuntary bankruptcy against your organization, or any officer or partner of the organization? ( ) Yes (X) No

M. Has the organization, or any officer or partner ever made an assignment of assets for the benefit of creditors? ( ) Yes (X) No

N. Are there any unsatisfied judgments outstanding against the organization, or any director or partner of the organization? ( ) Yes (X) No

O. Has the organization been a party to any litigation within the last 5 years? ( ) Yes (X) No

If "yes" was answered to any question 6 through 10, give a full explanation:

CERTIFICATION OF AUTHORIZED OFFICIAL

To the best of my knowledge and belief, data, attachments and exhibits in this application are true and correct. The documents have been duly authorized by the governing body of the entity and the entity will comply with all of the federal, state and county rules and regulations if Affordable Housing Fund Program funds are awarded.

Keith S. Stanley
SIGNATURE

Managing Member
TITLE

January 22, 2009
DATE
L. Has there ever been filed a petition or involuntary bankruptcy against your organization, or any officer or partner of the organization? ( ) Yes (X) No

M. Has the organization, or any officer or partner ever made an assignment of assets for the benefit of creditors? ( ) Yes (X) No

N. Are there any unsatisfied judgments outstanding against the organization, or any director or partner of the organization? ( ) Yes (X) No

O. Has the organization been a party to any litigation within the last 5 years? ( ) Yes (X) No

If "yes" was answered to any question 6 through 10, give a full explanation:

CERTIFICATION OF AUTHORIZED OFFICIAL

To the best of my knowledge and belief, data, attachments and exhibits in this application are true and correct. The documents have been duly authorized by the governing body of the entity and the entity will comply with all of the federal, state and county rules and regulations if Affordable Housing Fund Program funds are awarded.

[Signature]

[Printed Name]

[Title]

[Date]
CERTIFICATION OF ADOPTION

It is HEREBY CERTIFIED that RESOLUTION NO. 09-86 was adopted by the Council of the County of Maui, State of Hawaii, on the 4th day of September, 2009, by the following vote:

<table>
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<tr>
<th>MEMBERS</th>
<th>Dennis A. MATEO Chair</th>
<th>Michael J. MOLINA Vice-Chair</th>
<th>Gladys C. BAISA</th>
<th>Jo Anne JOHNSON</th>
<th>Solomon P. KAHŌ OHALAHALA</th>
<th>William J. MEDIEROS</th>
<th>Wayne K. NISHIKI</th>
<th>Joseph PONTANILLA</th>
<th>Michael P. VICTORINO</th>
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<tr>
<td>ROLL CALL</td>
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