

Pulelehua

A new Sustainable Affordable Housing Community for
West Maui



MAUI™
OCEANVIEW



PULELEHUA PRESENTATION

- I. Maui Oceanview Team Introduction
- II. Rental Crisis on Maui
- III. Pulelehua Project Description
- IV. Pulelehua Then, Pulelehua Now
- V. Timeline
- VI. Question & Answers

Maui Oceanview Team

Father and Son Development team, working together building quality projects focusing on rental apartments, retail development, and master plan communities.

Paul Cheng

- Multi-Family Rental Developer for 40+ years with relatives in Hawaii.
- Owner of Maui Harbor Shops
- Award Winning 2,000 Acre Master Plan Development in Ft. Bend County, Houston.
- Award Winning 1,500 Acre Master Plan Development in Collin County, Lavon TX.
- Award Winning Affordable 80 Senior Multifamily Rental Project in Collin County, Forney TX.

Preston Cheng

- Co-Developer on Maui and other projects in Mainland.
- Investment Manager at Maui Harbor Shops, located in Ma'alaea
- Lived in Kihei while operating the Oceanside Restaurant with Chef Gary King in Ma'alaea.
- Development experience in farmer's market, senior apartments and retail

DEVELOPMENT TRACK RECORD

Aliana – Master Plan Development

A 2,000-acres, **national and regional award winning master-planned community** The **2nd best-selling community** in Houston and **8th best-selling national master plan community** Aliana is located in Ft. Bend County, Texas. **Winner of over 30 awards.**



Grand Heritage– Master Plan Development

In 2003, the concept of a award winning master-plan **1,500-acres community** was introduced to the City of Lavon led by Paul Cheng. Constructed in several phases, Grand Heritage would ultimately house over **1,400 residential single-family dwellings** when completed.



Silver Spring Forney - 80 Unit Affordable Senior Rental Project

Silver Spring is **an award winning low income tax credit independent senior living community.**





RENTAL CRISIS ON MAUI

"There is no more supply-restrained, demand-challenged housing market in the nation." ~ RENTAL HOUSING STUDY
2014 DHHC

West Maui Residential Shortage

Shortages are caused from natural population growth, lack of new product, and old product converting to market rate and or short term rentals.

- Between now and 2040, there is a huge unmet demand of more than **5,000 new units for West Maui Residents**
- Current Data suggests **less than 400** units have been under construction since 2010-2015

Table VIII-1. POPULATION GROWTH TO HOUSING DEMAND, 2001 to 2013

| | Population | Annual Change | Persons Per Household | Households Created | Housing Production | Need vs. Production | Cumulative Need |
|------|------------|---------------|-----------------------|--------------------|--------------------|---------------------|-----------------|
| 2000 | 129,078 | | 2.91 | | 591 | | |
| 2001 | 132,428 | 3,350 | 2.90 | 1,155 | 772 | (383) | (383) |
| 2002 | 134,583 | 2,155 | 2.89 | 744 | 540 | (204) | (587) |
| 2003 | 137,596 | 3,013 | 2.89 | 1,043 | 735 | (308) | (895) |
| 2004 | 140,625 | 3,029 | 2.88 | 1,051 | 719 | (332) | (1,227) |
| 2005 | 143,448 | 2,823 | 2.87 | 984 | 1,001 | 17 | (1,210) |
| 2006 | 145,776 | 2,328 | 2.86 | 815 | 551 | (264) | (1,473) |
| 2007 | 148,117 | 2,341 | 2.85 | 823 | 600 | (222) | (1,696) |
| 2008 | 151,424 | 3,307 | 2.83 | 1,167 | 442 | (725) | (2,420) |
| 2009 | 153,393 | 1,969 | 2.82 | 698 | 214 | (484) | (2,904) |
| 2010 | 155,052 | 1,659 | 2.82 | 588 | 124 | (465) | (3,369) |
| 2011 | 156,651 | 1,599 | 2.82 | 567 | 68 | (499) | (3,868) |
| 2012 | 158,130 | 1,479 | 2.82 | 524 | 41 | (484) | (4,351) |
| 2013 | 160,292 | 2,162 | 2.82 | 767 | 109 | (658) | (5,009) |

Why West Maui Needs Rental Housing

Rentals are more affordable than for sale homes, and there is a dire need for more rental options in West Maui

- 41% of Maui County rely on rental housing
- 89% of Maui County renters choose renting over buying a home because it is **too expensive** and **cannot afford the down payment**.

Table 14. Top Six Reasons for Not Buying a Home, 2016

| | County | | | | State |
|------------------------------------|---------|----------|--------|-------|-------|
| | Hawai'i | Honolulu | Kaua'i | Maui | |
| Too Expensive | 47.5% | 65.8% | 73.1% | 66.1% | 64.1% |
| Cannot Afford Down Payment | 23.0% | 30.8% | 12.0% | 23.0% | 28.0% |
| Cannot Afford Monthly Payment | 14.8% | 15.4% | 8.2% | 9.7% | 14.3% |
| Cannot Qualify For Loan | 8.6% | 12.6% | 4.7% | 13.2% | 11.9% |
| Do Not Want To Buy; Prefer To Rent | 10.2% | 10.1% | 6.5% | 4.4% | 9.2% |
| Other | 19.6% | 15.0% | 21.6% | 19.6% | 17.6% |

Source: Housing Demand Survey, 2016

West Maui Needs Rental Housing. TODAY

Affordable Rentals are more sustainable than Affordable Housing over the long run, keeping units, more affordable for longer.

- Pulelehua is the largest new affordable rental project that is ready to start in West Maui
- Pulelehua represents nearly half of the planned affordable housing for West Maui in the next 5 years.
- Pulelehua proposes to develop 700 Long Term Rental Units to serve the West Maui. 300 of the units will be affordable rentals.

Table 3. Existing West Maui Affordable Housing Projects

| Project | Managing Agent | Type | Units |
|-------------------------------|---|-------|-------|
| Hale Mahaolu Eono | Hale Mahaolu | E | 35 |
| Piilani Homes | Hawaii Public Housing Authority | E(PH) | 42 |
| Front Street Apts. | Marcus and Associates | F | 142 |
| Honokowai Kauhale | Hawaii Affordable Properties, Inc. | F | 184 |
| Komohana Apts. | Hale Mahaolu | F | 20 |
| Lahaina Honokowai Villa Apts. | AWI Management Corp. | F | 56 |
| Lahaina Surf | Hale Mahaolu | F | 112 |
| Na Hale O Wainee | Maui Economic Concerns of the Community | F | 30 |
| Weinberg Court | Cirrus AMI | F | 62 |
| David Malo Circle | Hawaii Public Housing Authority | F(PH) | 18 |
| Hale Lahaina | Hale Lahaina Handicapped Project, Inc. | SN | 6 |

Source: SMS 2016

E = Elderly; E(PH) = Elderly Public Housing; F = Family; F(PH) = Family Public Housing; SN = Special Needs

Table 4. Future West Maui Affordable Housing Projects

| Project | Developer | Status | Units |
|----------------------|-------------------------------------|------------------------------------|--|
| Kaiaulu at Kaanapali | Aina Pacific, LLC | Under construction | 33 SF 100% Affordable |
| Kahoma Residential | West Maui Land | Under construction | 68 SF 100% Affordable |
| Kahoma Village | Stanford Carr Development Corp. | Under construction | 102 MF Affordable 101 SF Market rate |
| Pailolo Place | Aina Pacific, LLC | Pending final subdivision approval | 42 SF 100% Affordable |
| Pulelehua | Maui Oceanview, LP | Planned | UPDATED 370 MF Market rate |
| Villages of Leialii | HI Housing Finance & Develop. Corp. | Planned | 200 MF 100% Affordable |
| Polanui Gardens | Kipa Centennial, LLC | Planned | 50 SF Affordable 16 Ag lots market rate |
| Makila Rural – East | Hope Builders, LLC | Planned | 50 SF Affordable 45 SF Market rate |
| Makila Farms | Makila Kai, LLC | Planned | 16 SF Affordable 15 Ag lots market rate |

Source: DHHC 2018

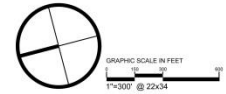


PULELEHUA PROJECT DESCRIPTION



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Pulelehua Proposed Site Plan



LEGEND

- COMMERCIAL BUILDING
- LIVE / WORK BUILDING
- WORKFORCE BUILDING
- MARKET RATE BUILDING
- AFFORDABLE FOR SALE
- SINGLE FAMILY
- ESTATE EDGE SINGLE FAMILY
- RECREATIONAL OPEN SPACE / DETENTION
- POCKET PARK
- MONUMENT SIGN
- BUS STOP - NORTH BOUND
- BUS STOP - SOUTH BOUND

Note:
See Typical Pocket Park & Sections Exhibits Sheet for Cross-Sections A, B, & C.

CONCEPTUAL SITE PLAN

Pulelehua

WEST MAUI PROJECT DISTRICT 5

Mahinahina & Kahana, Lahaina
Island of Maui, Hawaii
March 15, 2019

Maui Oceanview LP
Kimley Horn



Pulelehua Project Description

Addressing the West Maui Communities needs today, and providing for the future of West Maui families tomorrow. Sustainable long term rentals are the answer.

- 700 rentals + 100 for sale condos + 100 lots with 100 'ohanas on 300 acres
- 13 Acre land dedicated to Department Of Education with all utilities brought to the site for future elementary school, and surrounding roads provided by Maui Oceanview.
- 10 Acre Public multi-sport Park (baseball and soccer field)
- Acres of Open Space within the rental community
- 70,000 SF of service and community retail



A MARKET RATE BLDG TYPE IV FRONT/REAR ELEVATION
SCALE: 1/8"=1'-0"

Pulelehua Project Description

Including Ohanas and live/work units, Pulelehua will achieve a 50/50 Affordable Housing Mix.

| <u>PULELEHUA UNIT MIX</u> | Phase 1 | Phase 2 | Phase 3 | Total | Lots | Ohanas |
|---------------------------|------------|------------|------------|------------|------|--------|
| Market Rate Rental | 120 | 110 | 110 | 340 | 100 | |
| Affordable Rental | 80 | 130 | 80 | 290 | | 100 |
| Affordable For Sale | 40 | 40 | 20 | 100 | | |
| Affordable Live/Work | | 10 | | 10 | | |
| Market Rate Live/Work | | 60 | | 60 | | |
| Total | 240 | 350 | 210 | 800 | 100 | 100 |

| Pulelehua For Sale Affordable Unit Mix | | | | | |
|---|-----------------|----------------|-----------------|-----------------|--------------|
| <i>Avg. Median Income</i> | < 60% | 60-80% | 80-100% | 100-120% | Total |
| For Sale | 20 | 20 | 40 | 20 | 100 |
| <i>Avg. Median Income</i> | < 80% | 80-100% | 100-120% | Total | |
| Rentals | 100 | 100 | 100 | 300 | |

Pulelehua Unit Pricing Matrix

Affordable Unit pricing is set yearly by HUD, these 2019 prices may not reflect the exact pricing, however is a close estimate.

AFFORDABLE RENT GUIDELINES (BY UNIT SIZE & PERCENTAGE OF MEDIAN FAMILY INCOME)

| % of Median | UNIT SIZE (NO. OF BEDROOMS) | | | | | |
|-------------|-----------------------------|---------|---------|---------|---------|---------|
| | 0 | 1 | 2 | 3 | 4 | 5 |
| 10% | \$147 | \$157 | \$189 | \$218 | \$243 | \$268 |
| 20% | \$293 | \$314 | \$377 | \$436 | \$486 | \$536 |
| 30% | \$440 | \$471 | \$566 | \$654 | \$729 | \$804 |
| 40% | \$587 | \$629 | \$754 | \$872 | \$972 | \$1,073 |
| 50% | \$733 | \$786 | \$943 | \$1,089 | \$1,215 | \$1,341 |
| 60% | \$880 | \$943 | \$1,131 | \$1,307 | \$1,458 | \$1,609 |
| 70% | \$1,027 | \$1,100 | \$1,320 | \$1,525 | \$1,701 | \$1,877 |
| 80% | \$1,173 | \$1,257 | \$1,509 | \$1,743 | \$1,944 | \$2,145 |
| 90% | \$1,320 | \$1,414 | \$1,697 | \$1,961 | \$2,187 | \$2,413 |
| 100% | \$1,467 | \$1,571 | \$1,886 | \$2,179 | \$2,430 | \$2,682 |
| 110% | \$1,613 | \$1,728 | \$2,074 | \$2,397 | \$2,673 | \$2,950 |
| 120% | \$1,760 | \$1,886 | \$2,263 | \$2,615 | \$2,916 | \$3,218 |
| 130% | \$1,907 | \$2,043 | \$2,451 | \$2,833 | \$3,159 | \$3,486 |
| 140% | \$2,053 | \$2,200 | \$2,640 | \$3,050 | \$3,402 | \$3,754 |

Note: Affordable rents are based on 30% of gross monthly income. Affordable rents include utilities.

Pulelehua Unit Pricing Matrix

Affordable Unit pricing is set yearly by HUD, these 2019 prices may not reflect the exact pricing, however is a close estimate.

Effective: **May 1, 2019**

| Prevailing Int. Rate | No. of Bedroom | Percent of Median Income | | | | | | | | | | | |
|----------------------|----------------|--------------------------|--------------|-----------|-----------|----------------|-----------|----------------|-----------|----------------|-----------|----------------|-----------|
| | | Very Low | Low Income | | | Below Moderate | | Moderate | | Above Moderate | | Gap Income | |
| | | 50% & Below | (51% to 80%) | | | (81% to 100%) | | (101% to 120%) | | (121% to 140%) | | (141% to 160%) | |
| | | 50% | 60% | 70% | 80% | 90% | 100% | 110% | 120% | 130% | 140% | 150% | 160% |
| | | \$41,900 | \$50,280 | \$58,660 | \$67,040 | \$75,420 | \$83,800 | \$92,180 | \$100,560 | \$108,940 | \$117,320 | \$125,700 | \$134,080 |
| 4.000% | 1 | \$145,530 | \$174,650 | \$203,700 | \$232,820 | \$261,870 | \$290,990 | \$320,110 | \$349,230 | \$378,350 | \$407,400 | \$436,520 | \$465,640 |
| | 2 | \$176,715 | \$212,075 | \$247,350 | \$282,710 | \$317,985 | \$353,345 | \$388,705 | \$424,065 | \$459,425 | \$494,700 | \$530,060 | \$565,420 |
| | 3 | \$207,900 | \$249,500 | \$291,000 | \$332,600 | \$374,100 | \$415,700 | \$457,300 | \$498,900 | \$540,500 | \$582,000 | \$623,600 | \$665,200 |
| | 4 | \$239,085 | \$286,925 | \$334,650 | \$382,490 | \$430,215 | \$478,055 | \$525,895 | \$573,735 | \$621,575 | \$669,300 | \$717,140 | \$764,980 |
| 4.125% | 1 | \$143,360 | \$171,990 | \$200,690 | \$229,320 | \$258,020 | \$286,650 | \$315,350 | \$343,980 | \$372,680 | \$401,310 | \$430,010 | \$458,640 |
| | 2 | \$174,080 | \$208,845 | \$243,695 | \$278,460 | \$313,310 | \$348,075 | \$382,925 | \$417,690 | \$452,540 | \$487,305 | \$522,155 | \$556,920 |
| | 3 | \$204,800 | \$245,700 | \$286,700 | \$327,600 | \$368,600 | \$409,500 | \$450,500 | \$491,400 | \$532,400 | \$573,300 | \$614,300 | \$655,200 |
| | 4 | \$235,520 | \$282,555 | \$329,705 | \$376,740 | \$423,890 | \$470,925 | \$518,075 | \$565,110 | \$612,260 | \$659,295 | \$706,445 | \$753,480 |
| 4.250% | 1 | \$141,190 | \$169,470 | \$197,680 | \$225,890 | \$254,240 | \$282,450 | \$310,660 | \$338,870 | \$367,150 | \$395,360 | \$423,640 | \$451,850 |
| | 2 | \$171,445 | \$205,785 | \$240,040 | \$274,295 | \$308,720 | \$342,975 | \$377,230 | \$411,485 | \$445,825 | \$480,080 | \$514,420 | \$548,675 |
| | 3 | \$201,700 | \$242,100 | \$282,400 | \$322,700 | \$363,200 | \$403,500 | \$443,800 | \$484,100 | \$524,500 | \$564,800 | \$605,200 | \$645,500 |
| | 4 | \$231,955 | \$278,415 | \$324,760 | \$371,105 | \$417,680 | \$464,025 | \$510,370 | \$556,715 | \$603,175 | \$649,520 | \$695,980 | \$742,325 |
| 4.375% | 1 | \$139,090 | \$166,950 | \$194,810 | \$222,600 | \$250,460 | \$278,250 | \$306,110 | \$333,900 | \$361,760 | \$389,620 | \$417,410 | \$445,200 |
| | 2 | \$168,895 | \$202,725 | \$236,555 | \$270,300 | \$304,130 | \$337,875 | \$371,705 | \$405,450 | \$439,280 | \$473,110 | \$506,855 | \$540,600 |
| | 3 | \$198,700 | \$238,500 | \$278,300 | \$318,000 | \$357,800 | \$397,500 | \$437,300 | \$477,000 | \$516,800 | \$556,600 | \$596,300 | \$636,000 |
| | 4 | \$228,505 | \$274,275 | \$320,045 | \$365,700 | \$411,470 | \$457,125 | \$502,895 | \$548,550 | \$594,320 | \$640,090 | \$685,745 | \$731,400 |
| 4.500% | 1 | \$137,060 | \$164,500 | \$191,940 | \$219,380 | \$246,750 | \$274,190 | \$301,630 | \$329,070 | \$356,440 | \$383,880 | \$411,250 | \$438,760 |
| | 2 | \$166,430 | \$199,750 | \$233,070 | \$266,390 | \$299,625 | \$332,945 | \$366,265 | \$399,585 | \$432,820 | \$466,140 | \$499,375 | \$532,780 |
| | 3 | \$195,800 | \$235,000 | \$274,200 | \$313,400 | \$352,500 | \$391,700 | \$430,900 | \$470,100 | \$509,200 | \$548,400 | \$587,500 | \$626,800 |
| | 4 | \$225,170 | \$270,250 | \$315,330 | \$360,410 | \$405,375 | \$450,455 | \$495,535 | \$540,615 | \$585,580 | \$630,660 | \$675,625 | \$720,820 |

Traffic & Community Solutions

The Pulelehua community could reduce up to 1/2 Million trips per year, by relocating residents into West Maui, who commute to work on the West Side.

- Future Pulelehua residents who currently commute can save 5+ trips per week, around the island by living in the community they work in.
- The number of trip counts of rental residents in comparison to single family residents is less by an average of 50-60% per week.
- The entire Pulelehua community is connected by 7miles of hike and bike paths and sidewalks. Allowing residents of the community to walk and bike saving vehicle trips and providing safe access to residential needs.
- Maui Oceanview is committed to solutions for it's future residents on the West Side, and will be committing financial resources towards the relocation of Honoapiilani Highway as it continues to be threatened by erosion.

| Automobile Trips Per Housing Unit | | | |
|-----------------------------------|-------------------------------|------------------|-------------------|
| | <i>Single-family detached</i> | <i>Apartment</i> | <i>Difference</i> |
| Weekday | 9.57 | 6.72 | 42% |
| peak AM hour | 0.77 | 0.55 | 40% |
| peak PM hour | 1.02 | 0.67 | 52% |
| Saturday | 10.10 | 6.39 | 58% |
| peak hour | 0.94 | 0.52 | 81% |
| Sunday | 8.78 | 5.86 | 50% |
| peak hour | 0.86 | 0.51 | 69% |

Source: Institute of Transportation Engineers, *Trip Generation, 7th Edition* (Washington, DC: 2003), Volume 2, pp. 268-332.

| Trips Saved Per Year |
|-------------------------------------|
| 1,000 Residents |
| Avg. 10 trips per work week |
| 520,000 possible trips saved |

Community Solutions

Maui Oceanview Team has over 50 years of experience, and will construct the project using responsible and considerate construction standards

- Construction time on the 1st phase of the project from grading to completed units could take 18 months.
- Tall Construction fencing water and dust suppressants will help insulate sound and dust that can arise from grading the land.
- With 300 acres of land, there is ample space for parking on site for construction workers for the project.
- Phase 1 of the project has a large buffer space between the construction site and nearby communities



Pulelehua Then, Pulelehua Now

Maui Oceanview is asking LUC to convert for sale lots to rental units to address the rental shortage in West Maui, with a more sustainable plan than originally envisioned.

2006 D&O

- 882 Units and 300 'Ohanas
- 13 Acre School Site
- 92,000SF of retail
- Private water & wastewater treatment plant
- 2 five acre pocket parks
- Hike and bike trails

2019 Amended D&O

- 900 Units and 100 'Ohanas
- 13 Acre School Site
- 70,000SF of retail
- Private water & wastewater treatment plant*
- Over 20 community pocket parks
- 7 miles of hike & bike walkways and trails

Today's Pulelehua also features improvements on the old plan including: **2 Bus stops, 10 acre multi-sports regional park, single story Hawaiian themed architecture which allows better views and blends compatibly into the hillside.** *Possible connection to County Wastewater

Pulelehua Timeline

Sign Up on our website for the latest information about the project.
www.pulelehua.com

- Phase II Project District Plan Approval – 2020 Q1
- Phase III Unified Site Plan and Building Approval – 2020 Q2
- Site Grading Begins on 240 Units 1st Phase – 2020 Q2
- Building Construction Begins on 1st Phase – 2020 Q3

FAQ

- **What is wrong with the old plan?**
 - Original design is likely uneconomic in today's construction environment.
 - 20' high neighborhood lot walls would make it cost prohibitive.
 - Does not adequately deal with West Maui's huge unmet rental needs.
 - Primarily multi-story design will create unsightly vista mauka to makai.
- **How is the new plan an improvement on the old plan?**
 - Community layout across mauka minimizing steep walks and expensive and unsightly retaining walls.
 - Provides more rental housing and less for sale than original. This will more affordable housing for W. Maui.
 - Multi-sports 10 acre park rather than two 5 acre parks.
 - more open space than original plan,
 - Miles of continuous trails throughout community
 - we are **READY TO START** right away with your support.
- **Is there a waitlist established?**
 - County established waitlist procedures will be observed and implemented at the right time.
 - Please check our web site for announcements!

