

ORIGINAL

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## Overview of the Hale Mua Subdivision

### The Principle

Sterling Kim was born and raised on Maui, attended Dayton University, has been a general contractor since 1983, has developed three projects since 1997, married with three grown children.

### The Project

The Hale Mua project was born out of a desire to build affordable housing for the County of Maui. Presently, there is a need for more policemen, teachers, and nurses on Maui. The ranks have not been filled because of the gap between the cost of living and the pay afforded these professions. In many cases, the lack of these vital personnel have caused problems within the community. The administration of the County of Maui has embraced affordable housing as a platform and the Department of Housing and Human Concerns is a co applicant for the 201G change in zoning.

Previously, the lowest affordable homes were in the 120% of median income range (approx. \$325,000.) which was beyond the reach of the blue collar rank and file. This project is the first to offer affordable homes in the 80% of median income range (approx. \$280,000.). The premise is to buy agricultural land at a low price, apply for zoning change with the County and State, offer 51% of the product at cost for the affordable component and profit from the balance of market lots.

Here are some bullets of importance for what has been accomplished so far. The documents supporting these points have already been supplied.

- Acquisition of 238 acres of ag land from Wailuku Agribusiness in March of 2004 via quitclaim deed and financed by Central Pacific Bank.
- Meeting with the Mayor of the County of Maui and Department heads to determine the feasibility of and affordable housing project in March of 2004.
- Submission by the County of Maui, Dept. of Housing and Human Concerns and Hale Mua Properties LLC for 201G Change in Zoning in May of 2004.

- Meeting with the State of Hawaii Land Use Commission to determine feasibility for a District Boundary Amendment for the change in zoning in May of 2004.
- Filed for clear title with the Second Circuit Court of the State of Hawaii in May of 2004.
- Appraisal by ACM Consultants was done for Central Pacific Bank in March of 2005 and reaffirmed by letter in May of 2007. Presently, with entitlements, the bulk single sale value has been determined at \$38 M.
- Approval of the 201G by the County Council of the County of Maui was granted by resolution that has been supplied.
- Approval of the Land Use Commission was granted in March of 2007.
- Summary Judgment in the matter of clear title by the Second Circuit Court of the State of Hawaii was granted in 2006.
- Preliminary Subdivision Approval was granted in February 2007.

#### Bonded Final

In the County of Maui, sales of lots are allowed via warranty deed upon bonded final subdivision approval. The following are required for approval.

- Final construction plan approval.
- Site contractor to provide contract and performance bond
- Developer to provide developer's bond

The anticipated time to reach bonded final is approximately six months.