



Sand Hills affordable rental development clears reviews

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WAILUKU - A 28-unit, four-story affordable rental complex planned for Wailuku's Sand Hills area has cleared its environmental review process and should be ready to begin construction this spring, said developer David Billings, president and managing member of DBR Development LLC.

The apartment complex will be located at 511 Imi Place, which ends in a cul-de-sac in an area already developed with apartments overlooking Kahului Harbor.

The \$12.5 million Imi Ikena project is being financed by a "complex layering of funding sources," Billings said. The project has a \$2.75 million loan commitment from the county's affordable housing fund, which he said is the catalyst to leverage county resources by more than 4-to-1 to build the two- and three-bedroom apartment building. The county loan covers approximately 22 percent of the total project cost, Billings said.

It took more than three years to acquire the bulk of the project financing through a 2011 allocation of federal low-income housing tax credits from the state Housing Finance and Development Corp., said Billings of Encinitas, Calif.

The state has allocated a limited number of the federal low-income housing credits, which enable about three projects across the state to be awarded the tax credits each year, he said.

"It is a very rare opportunity for a new construction affordable housing project on Maui to be allocated these precious resources," Billings said. "Needless to say, it's been challenging putting all the pieces together."

The project's next step is to finalize its building and grading permits and close on all the various pieces of the construction financing, he said. Construction is expected to take about a year.

When completed, Imi Ikena will have affordable rental restrictions in perpetuity for families earning from 30 to 50 percent of the median income as established by U.S. Department of Housing and Urban Development guidelines.

The project will have 24 two-bedroom units and four three-bedroom units, Billings said. Rents will range from approximately \$450 to \$1,000 per month, with most units renting around \$900 per month.

The project started years ago with unrelated developers planning it as a condominium development with units projected to be sold for \$450,000 to \$500,000, Billings said. But when the economy soured, the developer tabled the project.

Billings said as he traveled to Maui with his family he saw the "huge need for affordable housing" here. Having been involved in developing affordable housing in California for more than 15 years, he said he wanted to do something here to help meet that need and acquired the Wailuku property.

"Creating high-quality affordable housing is my passion," he said. "Providing quality affordable housing enhances lifestyles while affirming basic human dignity. Our team has a rich history in affordable housing development, finance and management and is committed to this goal."

Partners in the project include Imi Ikena Housing Partners LLC, of which DBR is a managing member and the general partner, and Hui Kauhale, a Hawaii-based nonprofit, the managing general partner.

Hui Kauhale was formed a number of years ago by EAH Housing, a California nonprofit corporation that has been involved in affordable housing development and management since its own inception in 1968.

EAH will manage the property after the apartment complex is completed, including taking applications from prospective tenants, Billings said. As the project gets closer to completion, there will be an announcement seeking tenants, and applications will be available at that time on the EAH website at www.eahhousing.org, he said.

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