



KUNIA VILLAGE AND AGRIBUSINESS
COMPLEX

Water and Wastewater
Improvements

Application for
Grant-in-Aid
from the
Hawaii State Legislature
2016

House District 45
Senate District 23

THE TWENTY-EIGHTH LEGISLATURE
HAWAII STATE LEGISLATURE
APPLICATION FOR GRANTS & SUBSIDIES
CHAPTER 42F, HAWAII REVISED STATUTES

Log No:

For Legislature's Use Only

Type of Grant or Subsidy Request:

GRANT REQUEST – OPERATING

GRANT REQUEST – CAPITAL

SUBSIDY REQUEST

"Grant" means an award of state funds by the legislature, by an appropriation to a specified recipient, to support the activities of the recipient and permit the community to benefit from those activities.

"Subsidy" means an award of state funds by the legislature, by an appropriation to a recipient specified in the appropriation, to reduce the costs incurred by the organization or individual in providing a service available to some or all members of the public.

"Recipient" means any organization or person receiving a grant or subsidy.

STATE DEPARTMENT OR AGENCY RELATED TO THIS REQUEST (LEAVE BLANK IF UNKNOWN):

STATE PROGRAM I.D. NO. (LEAVE BLANK IF UNKNOWN): _____

1. APPLICANT INFORMATION:

Legal Name of Requesting Organization or Individual: Kunia Village Title Holding Corporation

Dbn:

Street Address: 92-1700 Kunia Road Kunia, Hawaii 96759

Mailing Address: PO Box 100 Kunia Hawaii 96759

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name DAVID M. ROBICHAUX

Title President

Phone # 808 368-5352

Fax # _____

e-mail robichaud001@hawaii.rr.com

3. TYPE OF BUSINESS ENTITY:

- NON PROFIT CORPORATION
 FOR PROFIT CORPORATION (TAX-EXEMPT)
 LIMITED LIABILITY COMPANY
 SOLE PROPRIETORSHIP/INDIVIDUAL

6. DESCRIPTIVE TITLE OF APPLICANT'S REQUEST:

CAPITAL IMPROVEMENTS TO WATER AND WASTEWATER SYSTEMS IN KUNIA VILLAGE TO SUPPORT AFFORDABLE HOMES FOR FARM WORKERS

4. FEDERAL TAX ID #: _____

5. STATE TAX ID #: _____

7. AMOUNT OF STATE FUNDS REQUESTED:

FY 2016-2017: \$ 2,861,250

8. STATUS OF SERVICE DESCRIBED IN THIS REQUEST:

- NEW SERVICE (PRESENTLY DOES NOT EXIST)
 EXISTING SERVICE (PRESENTLY IN OPERATION)

SPECIFY THE AMOUNT BY SOURCES OF FUNDS AVAILABLE AT THE TIME OF THIS REQUEST:

STATE \$ _____

FEDERAL \$ _____

COUNTY \$ _____

PRIVATE/OTHER \$ 60,000

SIGNATURE:

DAVID M. ROBICHAUX, PRESIDENT
NAME & TITLE

1/22/2016
DATE SIGNED



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1/22/16 MA

I. Background and Summary

1. A brief description of the applicant's background;

Applicant: The Kunia Village Title Holding Corporation
a 501-C (2) Tax-Exempt for-profit Hawaii Corporation

Kunia Village also known as Kunia Camp was originally established in the second decade of the 20th century by the predecessor of Del Monte Corporation. It was continuously used as a permanent residence for Del Monte farm workers between 1920 and 2009 when Del Monte withdrew from pineapple production in Hawaii. The Village then reverted to the landowner The James Campbell Company, which subdivided out the Village property from a larger parcel. It was deeded to Hawaii Agriculture Research Center, (HARC) a 501 C (3) tax exempt organization in 2009, specifically to facilitate the preservation of housing for Del Monte retirees and other agricultural workers.

HARC, formerly The Hawaiian Sugar Planters' Association (HSPA), came into existence in 1895. It had operations on Oahu, Maui, Kauai and the Big Island. It manages private, state and federal grants; it manages its own rental property and maintains several facilities. It has survived and thrived during the downsizing of the sugarcane industry to continue serving its members while broadening its research scope and clientele. Education and outreach have been integral parts of HARC's mission. HARC is well recognized and respected by the agricultural community. HSPA/HARC's clients became the most efficient producers of sugar in the world, and continued to be profitable long after they would have without the benefits of research conducted at HSPA/HARC

By acquiring the property, HARC prevented demolition of the residential and commercial agricultural infrastructure and continued its traditional functions for farm residences and agribusiness. Agricultural warehousing, mechanical shops, administrative areas processing buildings and cold storage facilities are badly needed in Central Oahu's rapidly growing area of diversified agriculture. Residential homes in Kunia Village are rented to retirees of Del Monte, other farm workers, and employees of agribusiness that are located in the commercial sections of Kunia Village. It is the only functional plantation camp in Hawaii, and it provides affordable housing to employees of all the major farming operations in Central Oahu as well as sole proprietors farming land in the area. Deed restrictions on Kunia Village ensure that housing will be kept as affordable rental housing for farm workers, in perpetuity.

HARC established a wholly-owned subsidiary The Kunia Village Title Holding Corporation (KVTHC) to own and operate the asset on HARC's behalf. KVTHC is organized as a 501 C (2) tax-exempt for profit corporation which is allowed under the IRS code for holding companies of non-profit corporations. The vast majority of units in Kunia Village provide housing for Oahu's farm families that earn less than 80% of the Area Median Income (AMI). Over 30 of the 121 housing units continue to be occupied by retirees of Del Monte Plantation. KVTHC maintains and operates the Village on a break-even basis for the benefit of Oahu's agricultural community.

There are approximately 12,000 acres in the Kunia area, significant portions being prime agricultural land suitable for a wide variety of diversified crops. Within this area there are agricultural opportunities for employment as all the property west of Kunia Road has been purchased by agricultural based companies and much of the property on the east side of Kunia Road is currently leased to agricultural operations. The scale up of these operations is continuing, with the most recent being the purchase of approximately 200 acres by New Hope Church which plans to provide a significant portion of this property to small farms. In addition, the Hawaii Department of Agriculture is establishing an agricultural park on 150 acres east of Kunia Road allowing more opportunities for small agricultural businesses. It is anticipated that there will be well over 1,300 agricultural positions available in this area as well as the opportunity for up to 100 new farm sites. The Kunia Village and Agribusiness Complex will serve these clients.

The availability of the subject property under KVTHC's ownership allows for the creation of a stable agribusiness residential and commercial center. It also facilitates affordable housing for farm labor and workforce development by providing a nucleus for these activities. This project fits into more than one economic area of opportunity defined in the community economic development strategies.



Figure 1: Typical 3-bedroom home in Kunia Village

2. The goals and objectives related to the request;

KVTHC's objective for this property is to retain badly needed housing and other accessory infrastructure for agricultural operations. Today's agriculture has evolved from plantations toward diversified agriculture that primarily supplies local demand rather than Hawaii's export economy.

The purpose and need for maintaining and expanding Kunia Village residential housing is to:

1. Meet the growing demand for affordable farm worker housing,
2. Maintain farm worker housing as rental units in perpetuity. Housing units will not be sold.
3. Continue to provide housing for retirees of the former Del Monte Fresh Fruit Company.

KVTHC and development partners The Rural Community Assistance Corporation (RCAC) have secured funds to renovate two-thirds of Kunia Village using a combination of USDA loans, tax-credits, historic tax credits, renewable energy tax credits, and conventional financing. The project is referred to as Project 82. Eighty-two (82) of the 121 housing units will be either renovated or replaced with similar units by a tax-credit investor group who have leased land and purchased existing improvements to the Village including 82 single family housing units. Forty-five of the existing single family homes will be completely renovated, and thirty-seven will be replaced with comparable new housing units. Two-thirds of essential Village infrastructure including roads, potable water distribution lines, wastewater collection piping will also be replaced in the 2/3 of the Village covered in the renovation project. The project will result in a complete renovation of two-thirds of Kunia Village. This two-thirds will be owned and operated in the same manner as the remaining one-third for affordable housing reserved for farm workers. In 15 years the lease will expire and ownership/management of the improvement will revert to KVTHC.

This budget request relates to the essential infrastructure for the remaining 1/3 of the Village, which remains under control of KVTHC. KVTHC will use internal returns and other funding as identified to renovate the remaining 39 housing units and add more over the next 10 to 15 years. Water supply and wastewater collection systems are now in poor condition and must be renovated to continue service to this portion of Kunia Village.

This request is for capital improvements to:

- (1) **Replace water distribution pipes.** The remaining 1/3 of the potable water distribution piping that is not included in Project 82 requires continuous maintenance. The village currently has very low water pressure due to the design and age of the infrastructure. Two thirds of the potable water distribution system will be replaced with piping capable of withstanding 40 – 50 psi pressures that are standard for most areas; however, the replacement piping cannot be connected to older system because it now operates at very low pressure and would rupture if exposed to higher pressures in the new system. This funding request is to replace the remainder of the potable water distribution system in Kunia Village so that it can be connected to the renovated water distribution system.

- (2) **Replace potable water reservoir and valves.** The potable water reservoir for the Village requires extensive repair and it cannot be isolated or drained because the main valves serving the Village are inoperable. The cost of repairing the existing reservoir approaches the cost of replacing it with steel tanks and valves. Replacing the reservoir was not included in the first project because it is outside of the Project footprint. The reservoir will be replaced entirely with three 100,000 gallon bolted steel tanks and appurtenant valves to tie into the existing transmission system.
- (3) **Provide potable water booster pump.** The 2/3 of the Village funded for renovation will have a booster pump serving that portion of the community. KVTHC will be required to purchase and install a similar booster pump for the remaining 1/3 of the Village.
- (4) **Replace Wastewater collection pipes.** As with the potable water system, 2/3 of the Village wastewater collection pipes will be replaced in the first project; however, the remaining 1/3 are outside the Project footprint and cannot be renovated with Project funds.

3. State the public purpose and need to be served;

The cost of housing in Hawaii, whether rental or purchase is very high in comparison to the median levels in the remainder of the United States. By HUD and USDA standards the cost of shelter should be no more than 30% of family income in order to support the family and make loan payment on time (Hawaii Planning Study, 2011). The statistics in Hawaii are rather startling. Only 51% of Hawaii's families spend less than 30% of their income on housing; 14% pay between 30 and 40% for shelter and 40% pay more than 40% of their net income toward housing (Hawaii Planning Study, 2011). The Hawaii Planning Study concludes "...a major conclusion of this and every planning study conducted for the past 20 years is that the greatest need is for affordable housing to serve the, 80% area mean income population segment".

Whether it is in the form of public housing or publicly assisted housing, rental housing units intended for households with incomes below 80 percent of area median income (AMI) have, for the most part, been assisted by the public sector.

Policy guidance is found in HRS §226-106 "Affordable housing".

Priority guidelines for the provision of affordable housing:

- (1) Seek to use marginal or nonessential agricultural land and public land to meet housing needs of low- and moderate-income and gap-group households.*
- (2) Encourage the use of alternative construction and development methods as a means of reducing production costs.*
- (3) Improve information and analysis relative to land availability and suitability for housing.*
- (4) Create incentives for development which would increase home ownership and rental opportunities for Hawai'i's low- and moderate-income households, gap group households, and residents with special needs.*
- (5) Encourage continued support for government or private housing programs that provide low interest mortgages to Hawai'i's people for the purchase of initial owner- occupied housing.*
- (6) Encourage public and private sector cooperation in the development of rental housing alternatives.*
- (7) Encourage improved coordination between various agencies and levels of government to deal with housing policies and regulations.*
- (8) Give higher priority to the provision of quality housing that is affordable for Hawai'i's residents and less priority to development of housing intended primarily for individuals outside of Hawai'i. [L 1986, c 276, §33; am L 1989, c 250, §3]*

The area median income for the all counties in Hawaii is shown in Table 3-1, which is compared to the average salary for farm workers in Table 3-2.

Table 3-1: 2015 HUD Area Median Income (AMI) for Hawaii

County Name	AMI	80% of Median Household Income							
		1 Person	2 People	3 People	4 People	5 People	6 People	7 People	8 People
Hawaii County	62,400	38,200	43,650	49,100	54,550	58,950	63,300	67,650	72,050
Honolulu County	86,900	53,700	61,350	69,000	76,650	82,800	88,950	95,050	101,200
Kalawao County	100,600	46,100	52,650	59,250	65,800	71,100	76,350	81,600	86,900
Kauai County	74,200	48,300	55,200	62,100	69,000	74,550	80,050	85,600	91,100
Maui County	75,100	43,000	49,150	55,300	61,400	66,350	71,250	76,150	81,050

Table 3-2 Average salary for farm production workers in the City and County of Honolulu.

In USD as of Jan 18, 2016

Average annual salary for Farm Production
Workers in Honolulu

\$18,000 ~~-----~~

Average Farm Production Worker salaries for job postings in Honolulu are 31% lower than average Farm Production Worker salaries for job postings nationwide. <http://www.indeed.com/salary/q-Farm-Production-Worker-l-Hawaii.html>

Clearly there is a wide income gap between farm workers and the general population. Interisland shipping costs are also quite high. Farm production is most likely to be viable if the fields are located on the same island as the market. If Hawaii wishes to promote agriculture in the state it must accommodate the housing needs of farm workers with affordable housing units that are located in close proximity to their job sites. Throughout the 20th century this need was supplied by the sugar and pineapple plantations. Sadly, that era of our history is passed, and plantation camps have been largely redeveloped and sold off.

Kunia Village is the last plantation camp that is operated for the benefit of farm workers in a manner substantially unchanged from its original purpose. It is an affordable community that is reserved for farm workers, farmers and employees of agribusinesses located within the Village. 80 of the existing 121 units will be reserved for farm workers making less than 60% of the AMI. Preference for the remainder of units will be given to those making less than 80% of the AMI. All units will remain as rentals in perpetuity. They cannot be sold, and current agreements ensure that Kunia Village will remain a farm worker community for the next 60 years. Rents will be capped at 30% of income with the lowest income groups receiving rental assistance from USDA.

The purpose of this request is to assist Kunia Village improve essential infrastructure for the benefit of low-income farm workers. The need is to promote local agricultural production by providing affordable housing, close to the farms, for Oahu's growing number of farm families.

4. Describe the target population to be served;

The target population now and in perpetuity will be Oahu’s farming community who require affordable homes in Central Oahu. Kunia Village now has a maximum of 121 single family housing units. KVTHC is preparing a 201-H permit application which would allow the Village to expand to a maximum of 200 units over the next 20 years. The Village was deeded to Hawaii Agriculture Research Center (HARC) by the James Campbell Company with the provision that it be maintained for retirees and family of the Del Monte Hawaii Plantation until the employee and spouse no longer have the need. Approximately 33 of the 121 housing units are occupied by Del Monte retirees. HARC has been an agriculture research and support organization since 1895. It is responsible for bringing in the oversees workers to Hawaii, and continued to do so until the 1940s. KVTHC is a wholly owned subsidiary of HARC and is mandated to maintain the Village as a set-aside for Oahu’s farm worker as affordable rental units in perpetuity. Farm workers are defined as receiving no less than \$8,800/year from farm labor.

The income limits for low, median and gap group residents are published by the City and County, and will be amended as determined by the Hawaii Housing Finance and Development Corporation (HHFDC) and the City and County of Honolulu. The current income limits for low, median and gap group families are shown below. Many of these families already live in Kunia Village, several are persons retired from Del Monte Hawaii. Rents will be individually determined for affordable units so that the monthly rent and estimated utility cost is no more than 30% of tenant’s gross family income. Table 4-1 shows the number of units in each income bracket, at full development. Beneath the income bracket is the current income limits published for that bracket.

Table 4-1: number of units in each income bracket and income limits for that bracket.

No. in Family	<60% AMI 74 units	<80% 39 units	80-120% 45 units	120-140% 22 Units	Market 20 Units
1	\$31,275	\$41,700	\$62,550	\$72,975	-
2	\$35,775	\$47,700	\$71,550	\$83,475	-
3	\$40,225	\$53,650	\$80,475	\$93,875	-
4	\$44,700	\$59,600	\$89,400	\$104,300	-
5	\$48,250	\$64,350	\$96,525	\$112,600	-
6	\$51,850	\$69,150	\$103,725	\$121,000	-
7	\$55,425	\$73,900	\$110,850	\$129,325	-
8	\$58,975	\$78,650	\$117,975	\$137,625	-

Out of the proposed 200 units at full development 180 of them will be affordable. The distribution of residents by income groups proposed for Kunia Village is heavily weighted toward the lower income brackets.

5. Describe the geographic coverage.

There are approximately 12,000 acres in the Kunia area, significant portions being prime agricultural land suitable for a wide variety of diversified crops. Within this area there are or will be agricultural opportunities for employment as all the property west of Kunia Road has recently been purchased by agricultural based companies and much of the property on the east side of Kunia Road is currently leased to agricultural operations. The scale up of these operations is continuing. In addition, the Hawaii Department of Agriculture is establishing an agricultural park on 150 acres east of Kunia Road allowing more opportunities for small agricultural businesses. It is anticipated that there will be well over 1,300 agricultural positions available in this area as well as the opportunity for up to 100 new farm sites. The Kunia Village and Agribusiness Complex will serve these clients.

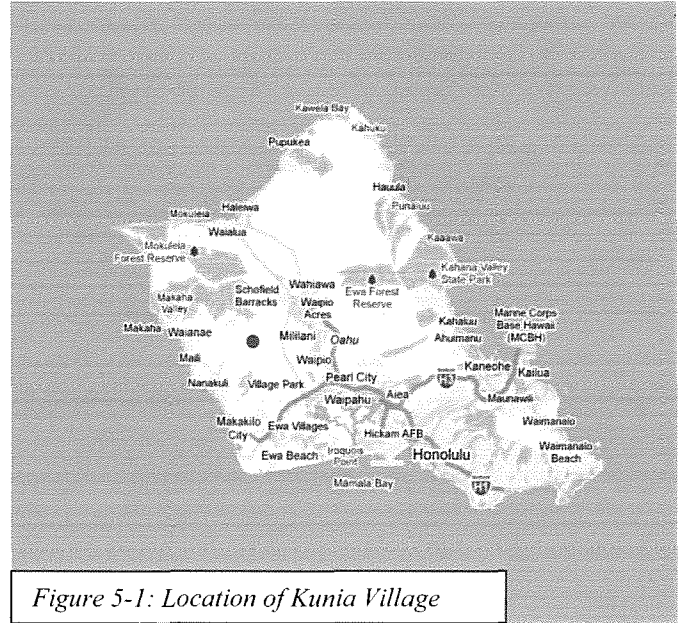


Figure 5-1: Location of Kunia Village

The nearest residential areas to the farms in Kunia are Royal Kunia (6 miles) and Wahiawa (5 miles). Due to affordability constraints many farm workers drive from Ewa, Waianae, Waialua or urban Honolulu to reach work. The geographic coverage for affordable housing in Central Oahu is island-wide.

II. Service Summary and Outcomes

The Service Summary shall include a detailed discussion of the applicant's approach to the request. The applicant shall clearly and concisely specify the results, outcomes, and measures of effectiveness from this request. The applicant shall:

1. Describe the scope of work, tasks and responsibilities;

This request is for funds to repair deteriorating "public services" infrastructure in Kunia Village including water storage and distribution systems and wastewater collection lines.

KVTHC contracted Austin Tsutsumi and Associates (ATA) to prepare a Preliminary Engineering Report on the condition of water and wastewater systems in the Village. The Report concluded that water distribution lines and wastewater collection lines are not servicable and needed to be replaced. The report made recommendations for repair of the water storage reservoir. The estimated cost for reservoir repairs is over half that of replacement, and would not guarantee satisfactory operations for very long. For this reason KVTHC will seek funds to replace the reservoir as well. Since the completion of the preliminary engineering report in 2013 the condition of both water and wastewater collection systems has further deteriorated, and require almost constant maintenance. Eighty-two (82) of the 121 existing homes will be renovated by others, along with the water system that serves this area. Upon completion, 2/3 of the Village will have renovated water and wastewater facilities while the remaining 1/3 will not. This request is for funds to repair and replace those elements of the water and wastewater systems that are not currently funded for repair. The tasks included in this funding request are described in further detail below.

Figures 2.1 through 2.4 show the water distribution piping covered in this scope of services. In addition to water distribution system KVTHC is requesting funds to improve the water storage tank, provide a booster pump to increase water pressure and replace aging wastewater collection pipes in approximately 1/3 of Kunia Village.

Task 1 Replace water distribution pipes. The remaining 1/3 of the potable water distribution piping that is not included in the first project is crumbling and requires extensive maintenance. The village currently has very low water pressure due to the design and age of the infrastructure. Two thirds of the potable water distribution system will be replaced with piping capable of withstanding 40 – 60 pounds per square inch (psi) pressures that are standard for most areas; however, the replacement piping cannot be connected to older system because it now operates at 15-18 psi and could rupture if exposed to higher pressures in the new system. This funding request is to replace the remainder of the potable water distribution system in Kunia Village so that it can be connected to the renovated water distribution system.

Excerpts from the Draft Preliminary Engineering Report (2013) follow:

The water distribution pipelines within Kunia Village are not considered suitable for continued use. Based on the results of this assessment, the recommendation is to replace all the pipes within Kunia Village, with proper cover and backfill material surrounding the pipe. To address the pressure deficiency, an in-line package booster pump station in the vicinity of Kunia Village, before the first service connection, should be installed to increase the pressure. As the integrity of the waterlines is believed to have been compromised over the years, replacing the waterlines - in conjunction with installation of a booster pump system - is imperative, as the significantly higher pressure in the waterlines would result in even more incidences of waterline leakages.

A budget estimate detail for this task is shown in Table 2.1-1. All estimates are for finished work with the system installed and tested. The work will be done by contractors responding to procurement. KVTHC regularly works with Actus Lend-Lease, Irrigation Technology Corporation (ITC) and AgTech Pacific on water and wastewater projects. KVTHC will select the bid that is most advantageous to the owner and the Village.

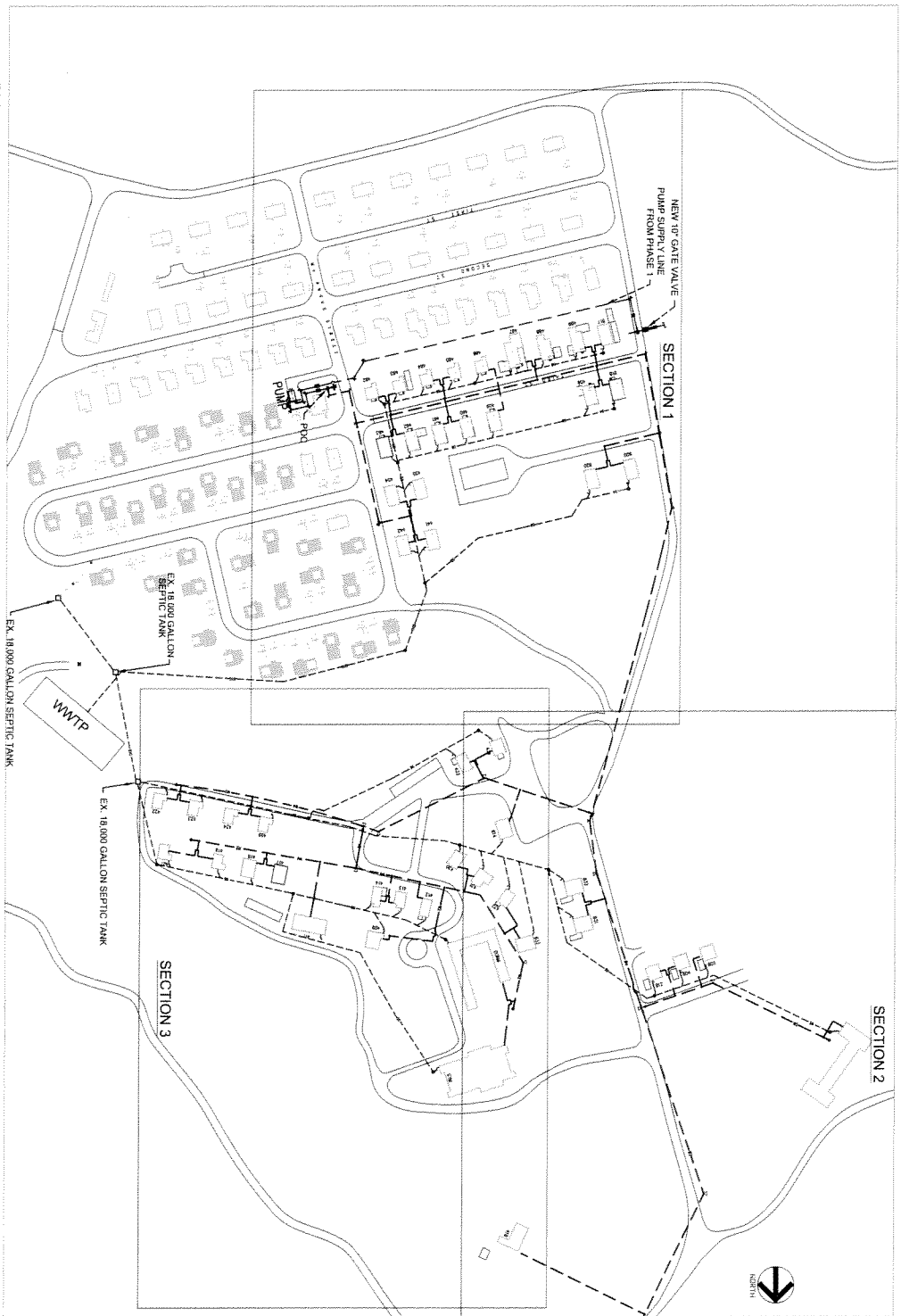
1	Replace Water Distribution lines	Qty	Unit	Price/Unit	Total Cost
a	6" D.I. pipe C.L. 52 w/ poly wrap installed	3000	ft	125	\$375,000
	4" D.I. pipe C.L. 52 w/ poly wrap installed	1500	ft	110	\$165,000
	2" D.I. pipe C.L. 52 w/ poly wrap installed	2500	ft	100	\$250,000
b	1" single service PVC lateral installed	20	ea	2500	\$50,000
c	1.5" PVC double service lateral installed	10	ea	3500	\$35,000
d	Misc. PVC fittings	1	ls	10000	\$10,000

Task 1 Total **\$885,000**

KVTHC requests \$885,000 to complete Task 1 of this scope of services.

Figure 2.1-1,2, and 3 show the Village water distribution system that requires new funding for replacement. Note that the southern half of the village containing 82 units is not included in this estimate.

KUNIA VILLAGE CORPORATION AND RURAL HOUSING LLC NEW HOUSING AND REHABILITATION PHASE II



INDEX OF DRAWINGS

SHEET NO.	DESCRIPTION
1	INDEX OF DRAWINGS
2	SECTION 1 PIPING
3	SECTION 2 PIPING
4	SECTION 3 PIPING

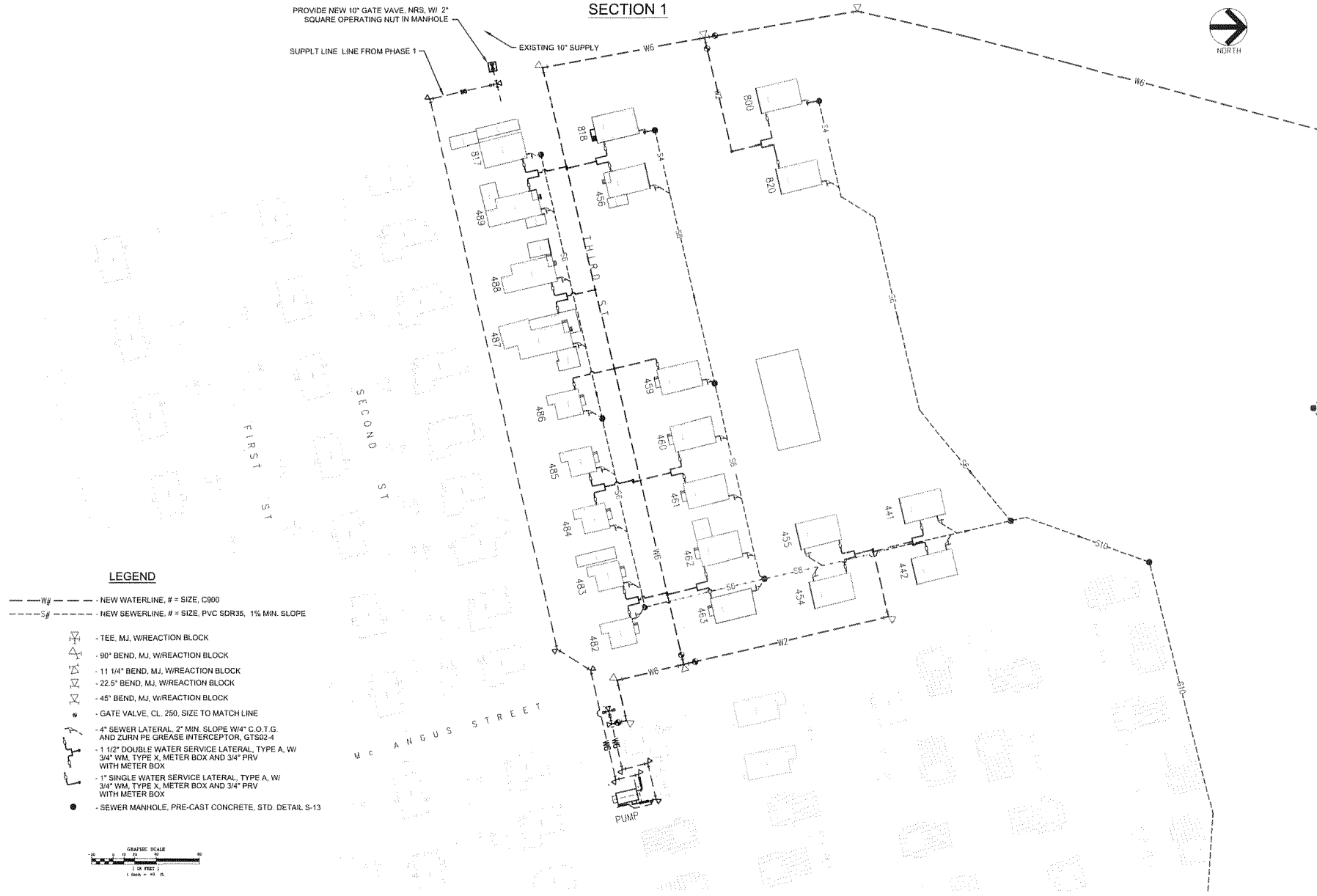
SECTION 1



PROVIDE NEW 10" GATE VALVE, NRS, W/ 2" SQUARE OPERATING NUT IN MANHOLE

SUPPLY LINE FROM PHASE 1

EXISTING 10" SUPPLY



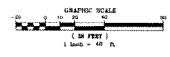
LEGEND

- - - W# - NEW WATERLINE, # = SIZE, C900
- - - S# - NEW SEWERLINE, # = SIZE, PVC SDR35, 1% MIN. SLOPE
- TEE, MJ, W/REACTION BLOCK
- 90° BEND, MJ, W/REACTION BLOCK
- 11 1/4° BEND, MJ, W/REACTION BLOCK
- 22.5° BEND, MJ, W/REACTION BLOCK
- 45° BEND, MJ, W/REACTION BLOCK
- GATE VALVE, CL. 250, SIZE TO MATCH LINE
- 4" SEWER LATERAL, 2" MIN. SLOPE W/4" C.O.T.G. AND ZURN PE GREASE INTERCEPTOR, GTS02-4
- 1 1/2" DOUBLE WATER SERVICE LATERAL, TYPE A, W/ 3/4" WM, TYPE X, METER BOX AND 3/4" PRV WITH METER BOX
- 1" SINGLE WATER SERVICE LATERAL, TYPE A, W/ 3/4" WM, TYPE X, METER BOX AND 3/4" PRV WITH METER BOX
- - SEWER MANHOLE, PRE-CAST CONCRETE, STD. DETAIL S-13

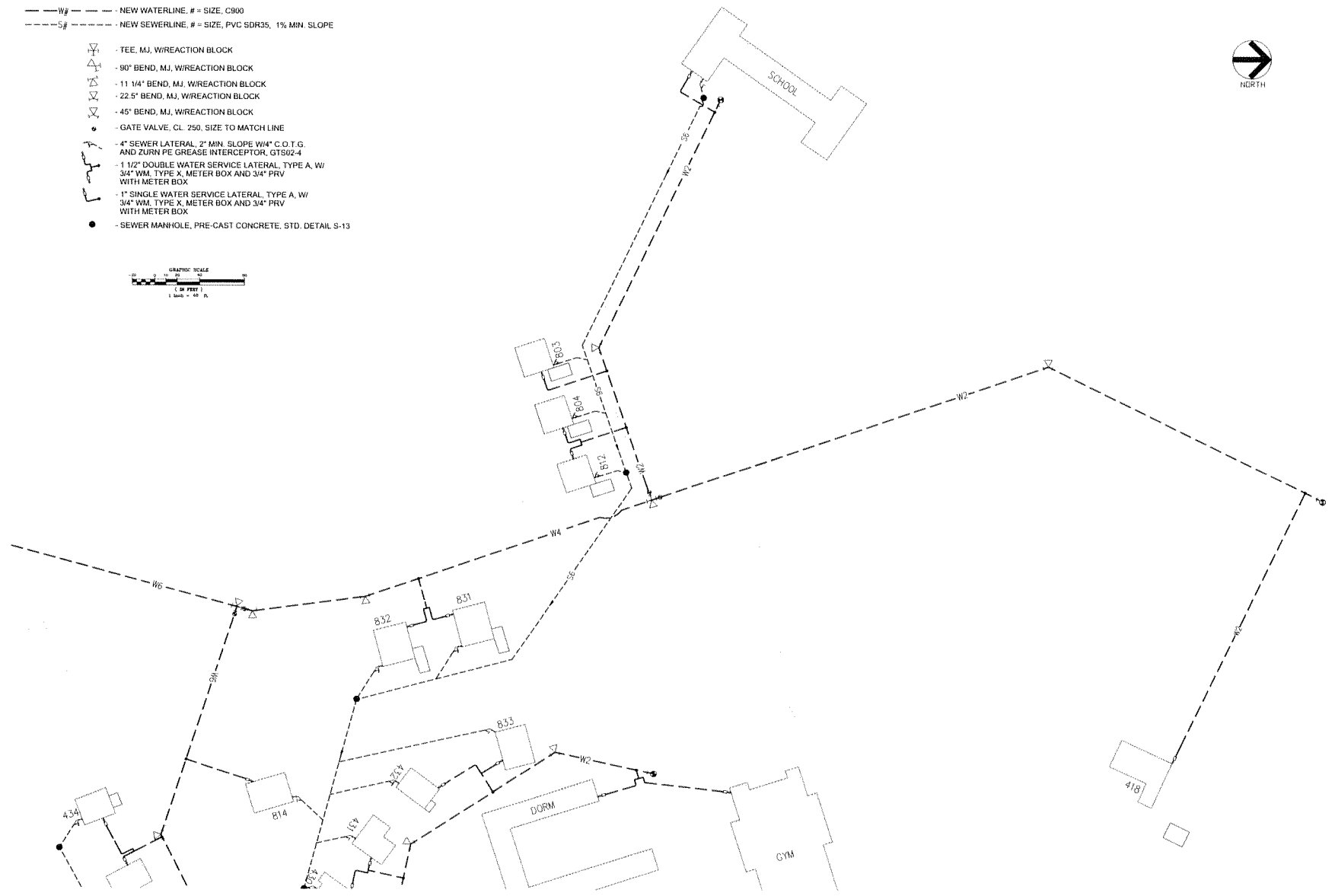


LEGEND

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- S# - NEW SEWERLINE, # = SIZE, PVC SDR35, 1% MIN. SLOPE
- TEE, MJ, WIREACTION BLOCK
- 90° BEND, MJ, WIREACTION BLOCK
- 11 1/4° BEND, MJ, WIREACTION BLOCK
- 22.5° BEND, MJ, WIREACTION BLOCK
- 45° BEND, MJ, WIREACTION BLOCK
- GATE VALVE, CL. 250, SIZE TO MATCH LINE
- 4" SEWER LATERAL, 2" MIN. SLOPE W/4" C.O.T.G. AND ZURN PE GREASE INTERCEPTOR, GTS02-4
- 1 1/2" DOUBLE WATER SERVICE LATERAL, TYPE A, W/ 3/4" WM, TYPE X, METER BOX AND 3/4" PRV WITH METER BOX
- 1" SINGLE WATER SERVICE LATERAL, TYPE A, W/ 3/4" WM, TYPE X, METER BOX AND 3/4" PRV WITH METER BOX
- SEWER MANHOLE, PRE-CAST CONCRETE, STD. DETAIL S-13



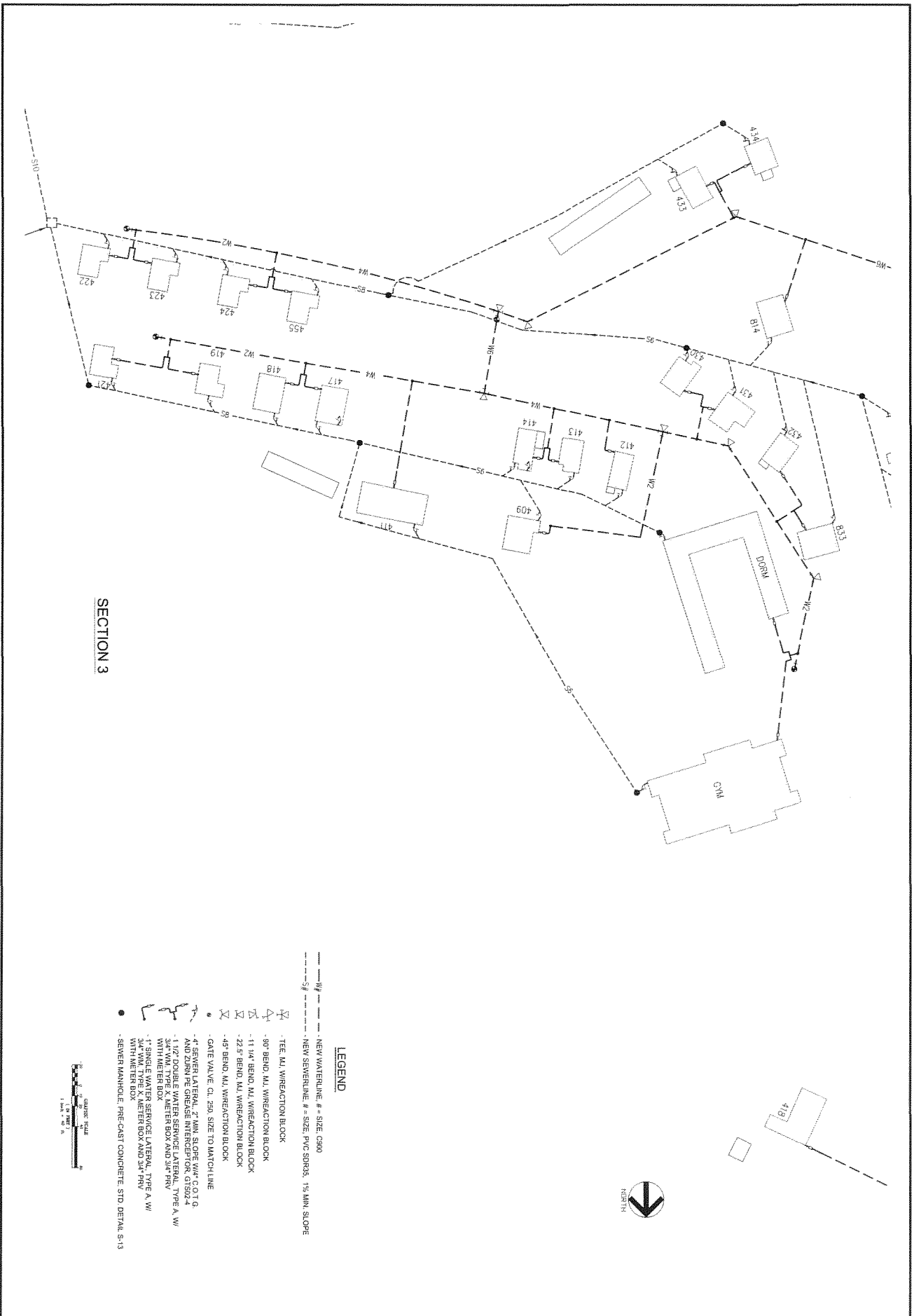
SECTION 2



KUNIA VILLAGE TITLE
HOLDING COMPANY

KUNIA VILLAGE CORPORATION
NEW HOUSING AND REHABILITATION PHASE II
SECTION 2 PIPING

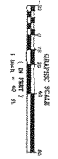
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CHECKED BY:
JOB:



SECTION 3

LEGEND

- - - - - NEW WATERLINE, # SIZE C900
- - - - - NEW SEWERLINE, # SIZE PVC SDIRCS, 1% MIN. SLOPE
- ⊥ TEE, M.I. WIREACTION BLOCK
- ⊥ 90° BEND, M.I. WIREACTION BLOCK
- ⊥ 11 1/4° BEND, M.I. WIREACTION BLOCK
- ⊥ 22 1/2° BEND, M.I. WIREACTION BLOCK
- ⊥ 45° BEND, M.I. WIREACTION BLOCK
- ⊥ GATE VALVE, CL. 250, SIZE TO MATCHLINE
- ⊥ GENERAL LATERAL, 4" MIN. SLOPE WITH 0.01 S AND 2" PRE-BEAKED INTERCEPTOR, 01502
- ⊥ 1 1/2" DOUBLE WATER SERVICE LATERAL, TYPE A, W/ 3/4" WM, TYPE X, METER BOX AND 3/4" FRY WITH METER BOX
- ⊥ SINGLE WATER SERVICE LATERAL, TYPE A, W/ 3/4" WM, TYPE X, METER BOX AND 3/4" FRY WITH METER BOX
- SEWER MANHOLE, PRE-CAST CONCRETE, STD DETAIL S-13



Task 2. Replace potable water reservoir and valves. The potable water reservoir for the Village requires extensive repair and it cannot be isolated or drained because the main valves serving the Village are inoperable. According to ATA (Preliminary Engineering Report (2013)) the reservoir can continue to be used but required modifications are described below.

Suitability for continued use 305,000 Gallon Tank

The tank is considered suitable for continued use, and the storage volume is adequate to meet maximum day demands for the village. However, the following are recommendations for improvements/repairs:

- Seal the openings between the roof and walls of the tank,
- Replace existing gate valve within pit on tank outlet, if possible, and
- Arrange for an inspection and cleaning of the interior of the tank, with the possibility of repair with NSF-61 approved material.

Since the ATA report was prepared KVTHC has discovered blockages in the outlet valve at the tank bottom that may not be repairable without digging up the tank bottom, and questions about the longevity of the entire roofing system. The cost of repairing the existing reservoir approaches the cost of replacing it with above-ground steel tanks and valves. The reservoir will be replaced entirely with three 100,000 gallon bolted steel tanks and appurtenant valves to tie into the existing transmission system.

2	Replace reservoir	QTY	Unit	Price/Unit	Cost
a	100,000-gallon storage tank	3	ea	225000	\$675,000
b	main shutoff gate valve	3	ea	5000	\$15,000
c	6" piping	150	ft	125	\$18,750
d	shipping and installation	1	ls	10000	\$10,000

Task 2 Total

\$718,750



Figure 2.2-1: The below-ground potable water storage tank and aeration tower for Kunia Village. The storage tank will be replaced with above-ground steel tanks of similar capacity.

Task 3. Provide potable water booster pump. The 2/3 of the Village funded for renovation will have a booster pump serving that portion of the community. KVTHC will be required to purchase and install a smaller booster pump for the remaining 1/3 of the Village in order to raise the line pressure from 18 pounds per square inch (psi) to 45 psi. Estimated costs to add a booster pump is shown in Table 2.3-1.

3	Booster Pump Station				
	BOOSTER PUMP SYSTEM, INCLUDING PUMP HOUSING, PUMPS, PUMP CONTROL SYSTEM, PUMP DISCHARGE PIPING INCLUDING ALL VALVES, FITTINGS AND APPURTENANCES, AND PAINTING, IN PLACE, COMPLETE	1	ls	150000	\$150,000

Task 3 Total **\$150,000**

The location of the pump and valves is included on Figure 2.1-2.

Task 4 Replace Wastewater collection pipes. As with the potable water system, 2/3 of the Village wastewater collection pipes will be replaced in the first project; however, the remaining 1/3 are not covered under existing funding. According to ATA our wastewater lines are inoperable as stated in their 2013 Preliminary Engineering Report.

Wastewater Collection System

Knowledgeable people familiar with the Kunia Village collection system have indicated that there is not enough cover over the pipes (only 4-inches at the upper ends), and that the slope of the pipes are inadequate. Also, there has been root intrusion and damage of the sewer lines. Each house has a grease trap that is considered to be relatively effective. Second City wastewater plant operators clean them on a quarterly basis. However, some homes are scheduled for more frequent cleaning.

Suitability for Continued Use Wastewater Collection System

The existing collection system is not considered suitable for continued use. There is not enough cover over the mains, the slopes of the pipes are inadequate, and there has been root intrusion and damage of the mains. Also, the existing grease traps at the houses are not considered effective.

The estimated budget for renovating the wastewater collection system in the remaining portions of the village not covered by Project 82 are shown in Table 2.4-1.

4	Wastewater Collection pipes	Qty	Unit	Price/unit	Cost
	10" dia C900 WW collection pipe installed	1000	lf	130	\$130,000
a	8" dia C900 WW collection pipe installed	1000	lf	120	\$120,000
b	6" dia C900 WW collection pipe installed	4000	lf	110	\$440,000
	4" dia C900 WW collection pipe installed	1000	lf	100	\$100,000
c	Concrete sewer manhole Installed	20	ea	7000	\$140,000
d	Tank Oil/water separator installed	1	ea	15000	\$15,000
e	Sewer Service Lateral installed	45	ea	2500	\$112,500

Task 4 Total

\$1,057,000

Total cost estimates of requested improvements

Item No.	Item description	Quantity	Unit	Unit Price	Amount
1	Mobilization/Demobilization	1	ls	15,000	\$15,000
2	Replace reservoir				
a	100,000-gallon storage tank	3	ea	225,000	\$675,000
b	main shutoff gate valve	3	ea	5,000	\$15,000
c	6" piping	150	ft	125	\$18,750
d	shipping and installation	1	ls	10,000	\$10,000
3	Replace Water Distribution lines				
a	6" D.I pipe C.L. 52 w/ poly wrap installed	3,000	ft	125	\$375,000
	4" D.I pipe C.L. 52 w/ poly wrap installed	1,500	ft	110	\$165,000
	2" D.I pipe C.L. 52 w/ poly wrap installed	2,500	ft	100	\$250,000
b	1" single service PVC lateral installed	20	ea	2500	\$50,000
c	1.5" PVC double service lateral installed	10	ea	3500	\$35,000
d	Misc. PVC fittings	1	ls	10,000	\$10,000
4	Booster Pump Station				
	BOOSTER PUMP SYSTEM, INCLUDING HOUSING, PUMPS, PUMP CONTROL SYSTEM, PUMP DISCHARGE PIPING INCLUDING ALL VALVES, FITTINGS AND APPURTENANCES, AND PAINTING, IN PLACE, COMPLETE	1	ls	150,000	\$150,000
5	Wastewater Collection pipes				
a	10" dia C900 WW collection pipe installed	1,000	lf	130	\$130,000
b	8" dia C900 WW collection pipe installed	1,000	lf	120	\$120,000
c	6" dia C900 WW collection pipe installed	4,000	lf	110	\$440,000
d	4" dia C900 WW collection pipe installed	1,000	lf	100	\$100,000
e	Concrete sewer manhole Installed	20	ea	7,000	\$140,000
f	Tank Oil/water separator installed	1	ea	15,000	\$15,000
g	Sewer Service Lateral installed	45	ea	2,500	\$112,500
	Design	1	ls	35,000	\$35,000

Total

\$2,861,250

- 2. Provide a projected annual timeline for accomplishing the results or outcomes of the service;**

The work will be completed within 8 months of receipt of funding.

- 3. Describe its quality assurance and evaluation plans for the request. Specify how the applicant plans to monitor, evaluate, and improve their results;**

All work will be done by qualified contractors licensed in the State of Hawaii. Contractors will be selected through a procurement process, wherein the low-cost qualified bidder will be selected. KVTHC has in-house construction management personnel who are qualified to accept the work upon completion.

- 4. List the measure(s) of effectiveness that will be reported to the State agency through which grant funds are appropriated (the expending agency). The measure(s) will provide a standard and objective way for the State to assess the program's achievement or accomplishment. Please note that if the level of appropriation differs from the amount included in this application that the measure(s) of effectiveness will need to be updated and transmitted to the expending agency.**

As this is a construction contract, the measures of effectiveness are timely completion within the budget. The work product will be connected to other renovated water and wastewater systems, by others, and function properly to deliver potable water at up to 60 psi, and take away wastewater effectively. The reduction in system maintenance will allow KVTHC maintenance personnel to focus on rehabilitating affordable housing units.

BUDGET REQUEST BY SOURCE OF FUNDS
(Period: July 1, 2016 to June 30, 2017)

Applicant: Kunia Village Title Holding Corporation

BUDGET CATEGORIES	Total State Funds Requested (a)	(b)	(c)	(d)
A. PERSONNEL COST				
1. Salaries				0
2. Payroll Taxes & Assessments				0
3. Fringe Benefits				0
TOTAL PERSONNEL COST				0
B. OTHER CURRENT EXPENSES				
1. Airfare, Inter-Island				0
2. Insurance				0
3. Lease/Rental of Equipment				0
4. Lease/Rental of Space				0
5. Staff Training				0
6. Supplies				0
7. Telecommunication				0
8. Utilities				0
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
TOTAL OTHER CURRENT EXPENSES				0
C. EQUIPMENT PURCHASES				0
D. MOTOR VEHICLE PURCHASES				0
E. CAPITAL				2,861,250
TOTAL (A+B+C+D+E)				2,861,250
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested	2,861,250	David Robichaux	808 368-5352	
(b)			Phone	
(c)			22-Jan-16	
(d)			Date	
TOTAL BUDGET	2,861,250	David M. Robichaux, President Name and Title (Please type or print)		

BUDGET JUSTIFICATION PERSONNEL - SALARIES AND WAGES

Applicant: Kunia Village Title Holding Corporation

Period: July 1, 2016 to June 30, 2017

POSITION TITLE	FULL TIME EQUIVALENT	ANNUAL SALARY A	% OF TIME ALLOCATED TO GRANT REQUEST B	TOTAL STATE FUNDS REQUESTED (A x B)
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
TOTAL:				0.00
JUSTIFICATION/COMMENTS:				
All personnel costs to be provided by the applicant				

BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Applicant: Kunia Village Title holding Corporation Period: July 1, 2016 to June 30, 2017

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:				0
JUSTIFICATION/COMMENTS:				

DESCRIPTION OF MOTOR VEHICLE	NO. OF VEHICLES	COST PER VEHICLE	TOTAL COST	TOTAL BUDGETED
			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:				0
JUSTIFICATION/COMMENTS:				
All equipment and vehicular costs to be provided by the applicant				

BUDGET JUSTIFICATION CAPITAL PROJECT DETAILS

Applicant: Kunia Village Title Holding Corp

Period: July 1, 2016 to June 30, 2017

FUNDING AMOUNT REQUESTED						
TOTAL PROJECT COST	ALL SOURCES OF FUNDS RECEIVED IN PRIOR YEARS		STATE FUNDS REQUESTED	OF FUNDS REQUESTED	FUNDING REQUIRED IN SUCCEEDING YEARS	
	FY: 2014-2015	FY: 2015-2016	FY:2016-2017	FY:2012-2013	FY:2017-2018	FY:20184-2019
PLANS						
LAND ACQUISITION						
DESIGN	0	0	\$35,000	0	0	0
CONSTRUCTION	0	0	\$2,826,250	0	0	0
EQUIPMENT						
TOTAL:			\$2,861,250			
JUSTIFICATION/COMMENTS:						

**DECLARATION STATEMENT
APPLICANTS FOR GRANTS AND SUBSIDIES
CHAPTER 42F, HAWAI'I REVISED STATUTES**

The undersigned authorized representative of the applicant acknowledges that said applicant meets and will comply with all of the following standards for the award of grants and subsidies pursuant to section 42F-103, Hawai'i Revised Statutes:

- (1) Is licensed or accredited, in accordance with federal, state, or county statutes, rules, or ordinances, to conduct the activities or provide the services for which a grant or subsidy is awarded;
- (2) Comply with all applicable federal and state laws prohibiting discrimination against any person on the basis of race, color, national origin, religion, creed, sex, age, sexual orientation, or disability;
- (3) Agree not to use state funds for entertainment or lobbying activities; and
- (4) Allow the state agency to which funds for the grant or subsidy were appropriated for expenditure, legislative committees and their staff, and the auditor full access to their records, reports, files, and other related documents and information for purposes of monitoring, measuring the effectiveness, and ensuring the proper expenditure of the grant or subsidy.

In addition, a grant or subsidy may be made to an organization only if the organization:

- (1) Is incorporated under the laws of the State; and
- (2) Has bylaws or policies that describe the manner in which the activities or services for which a grant or subsidy is awarded shall be conducted or provided.

Further, a grant or subsidy may be awarded to a non-profit organization only if the organization:

- (1) Has been determined and designated to be a non-profit organization by the Internal Revenue Service; and
- (2) Has a governing board whose members have no material conflict of interest and serve without compensation.

For a grant or subsidy used for the acquisition of land, when the organization discontinues the activities or services on the land acquired for which the grant or subsidy was awarded and disposes of the land in fee simple or by lease, the organization shall negotiate with the expending agency for a lump sum or installment repayment to the State of the amount of the grant or subsidy used for the acquisition of the land.

Further, the undersigned authorized representative certifies that this statement is true and correct to the best of the applicant's knowledge.

Kunia Village Title Holding Corporation, 501-C (2)

Organization)

1/22/2016

(Date)

David M. Robichaux

(Typed Name)

President

(Title)

IV. Experience and Capability

A. Necessary Skills and Experience

The applicant shall demonstrate that it has the necessary skills, abilities, knowledge of, and experience relating to the request. State your experience and appropriateness for providing the service proposed in this application. The applicant shall also provide a listing of verifiable experience of related projects or contracts for the most recent three years that are pertinent to the request.

Previous development experience of the Kunia Village Title Holding Corporation (KVTHC) and its parent Company, the Hawaii Agriculture Research Center (HARC) include:

- (1) owning and operating Kunia Village and Agribusiness Complex, and
- (2) the ongoing redevelopment of 82 of the 121 currently allowed housing units using a combination of Low-income Housing Tax Credits and USDA funding.

(1) Kunia Village also known as Kunia Camp was originally established in the second decade of the 20th century by the predecessor of Del Monte Corporation. It was continuously used as a permanent residence for Del Monte farm workers between 1920 and 2009 when Del Monte withdrew from pineapple production in Hawaii. The Village then reverted to the landowner The James Campbell Company, which subdivided out the Village property from a larger parcel. It was deeded to Hawaii Agriculture Research Center, (HARC) a 501 C (3) tax exempt organization in 2009, specifically to facilitate the preservation of housing for retired Del Monte agricultural workers.

HARC, formerly The Hawaiian Sugar Planters' Association, came into existence in 1895. It had operations on Oahu, Maui, Kauai and the Big Island. It manages private, state and federal grants; it manages its own rental property and maintains several research facilities. It has survived and thrived during the downsizing of the sugarcane industry to continue serving its members while broadening its research scope and clientele. Education and outreach have been integral parts of HARC's mission. HARC is well recognized and respected by the agricultural community, and it has attracted 6 private sector partners who are contributing to the facility redevelopment and leasing space in this project.

By acquiring the property, HARC prevented demolition of the residential and commercial agricultural infrastructure and continued its traditional functions for farm residences and agribusiness. Agricultural warehousing, mechanical shops, administrative areas processing buildings and cold storage facilities are badly needed in this rapidly growing market. The existing Kunia Camp residences are maintained for the benefit of agricultural workers.

HARC established a wholly-owned subsidiary The Kunia Village Title Holding Corporation (KVTHC) to own and operate the asset on HARC's behalf. Kunia Village will be kept as affordable rental housing for farm workers, in perpetuity through deed restrictions.

(2) Project 82 is a major renovation of Kunia Village that is expected to begin in January 2016. It is dubbed Project 82 because 82 of the 121 housing units will be either renovated or replaced with similar units. Forty-five of the existing single family homes will be completely renovated, and thirty-seven will be replaced with comparable new housing units. The project will also replace or renovate essential Village infrastructure including potable water distribution lines, wastewater collection piping and it will resurface some of the Village streets within the project.

The construction characteristics of any new additions or renovations must be consistent with the historic character of the Village and plans have been approved by the State Historic Preservation Division (SHPD) of the Department of Land and Natural Resources (DLNR). Renovated and replacement housing will remain single story, wood-frame housing build on post and piers. Kunia Village has worked with Honsador to produce compatible models of the 2, 3, and 4-bedroom housing that have been approved by SHPD. Replacement housing has been specifically designed and approved to match the existing architectural character of the Village.

Low-Income Housing Tax Credit financing require that the project area be leased and the housing assets be sold to the investor group as limited partners. That portion of Kunia Village is wholly owned, leased, and managed by the Kunia Village Housing Partners I LLP. The improvements to housing and infrastructure will not extend beyond the boundaries of those 82 housing units. Although HARC and KVTHC have been heavily involved in preparation for this project it is no longer under out control. This is the reason that additional funding is required to improve the remaining water and wastewater assets that are not included in Project 82.

B. Facilities

The applicant shall provide a description of its facilities and demonstrate its adequacy in relation to the request. If facilities are not presently available, describe plans to secure facilities.

HARC acquired the assets and land of Kunia Village in 2010 from the James Campbell Company. Following that it created Kunia Village Title Holding Corporation (KVTHC) to own and manage this asset. HARC is a non-profit corporation and the sole shareholder of KVTHC. KVTHC is a tax-exempt for profit holding corporation for a non-profit organized under IRS rule 501-C (2). The Village consists of 118-acre parcel containing of 121 housing units that are mostly single family houses, and roughly 150,000 sf of agricultural warehouses, and offices that are currently occupied by agricultural companies.

The parcel retains its zoning as Ag-1, restricted agricultural land as is all of the surrounding land which is otherwise actively used for agriculture. Worker housing and agriculturally related structures are permitted on Ag-1 land when they are owned and operated by a farming operation. Because HARC is an agricultural research organization and not a commercial farm, a variance was obtained (#2008/VAR-26) to allow a higher density of farm dwellings on Ag-1 restricted land. Ag-1 land allows 1 farm dwelling per 5 acres. The property had 121 units per 119 acres. The variance was approved by the county for the existing 121 units so that they could be repaired or replaced.

There are approximately 12,000 acres in the Kunia area, significant portions being prime agricultural land suitable for row crops. Within this area there are vastly expanding opportunities for agricultural employment as all the property west of Kunia Road has been purchased by agricultural based companies and much of the property on the east side of Kunia Road is currently leased to agricultural operations. The scale up of these operations is continuing. In addition, the Hawaii Department of Agriculture is establishing an agricultural park on 150 acres east of Kunia Road allowing more opportunities for small agricultural businesses. It is anticipated that there will be well over 1,300 agricultural positions available in this area as well as the opportunity for up to 100 new farm sites. The availability of the subject property under KVTHC's ownership allows for the creation of a stable agribusiness residential and commercial center. It also facilitates affordable housing for farm labor and workforce development by providing a nucleus for these activities. This project fits into more than one economic area of opportunity defined in the community economic development strategies:



Figure 4-1: Pineapple plantation land near Kunia Village in 2007

- Provides affordable housing which is an impediment in further development of agriculture;
- Provides facility infrastructure to produce value-added export marketing, import

- substitution, master branding-planning and workforce development; and
- Adds sustainable infrastructure which involves energy, water, and waste recycling.

KVTHC's objective for this property is to retain badly needed infrastructure for agricultural operations that have evolving during the transition from plantation to diversified agriculture.

A description of Improvements (Type of structures, and amenities) is shown in Table 4-1

Table 4-1: Existing structures within Kunia Village

TABLE 1 Existing Structures at Kunia Plantation Village	
4 Bedroom	9
3 Bedroom	81
2 Bedroom	27
1 Bedroom	4
<i>Total Residential</i>	121
Multi-Purpose Community Center/ Gymnasium	1
Chapels	2
Transient Farmer Dormitory	1
Administration Building	1
Wastewater Treatment Plant	1
Warehouse for storage of farm chemicals and materials	2
Machine Shop (Vacant)	1
Agricultural Products Irradiator	1
Open Warehouse (Vacant)	1
Vegetable Washing and Sorting Plant	1
Kunia Store	1
Manulele Cane Distillery	2
Post Office Trailer	1
EPA Site Research Building	1
Food Processing Office Building	1
Food Processing Employee Lunchroom	1
<i>Total Accessory Structures</i>	19

The water and wastewater improvements will serve approximately 45 housing units and the accessory buildings described above.

V. Personnel: Project Organization and Staffing

A. Proposed Staffing, Staff Qualifications, Supervision and Training

The applicant shall describe the proposed staffing pattern and proposed service capacity appropriate for the viability of the request. The applicant shall provide the qualifications and experience of personnel for the request and shall describe its ability to supervise, train and provide administrative direction relative to the request.

All construction contracts will be monitored and managed using existing personnel at no cost to the project.

KVTHC President, David Robichaux will oversee all aspects of the construction.

KVTHC Controller, David Kula will oversee all financial aspects of the project.

Second City Property Management, Inc. is contracted to maintain and repair housing units in the Village. Most SCPM employees held the same positions in the Village when they were Del Monte employees. Under the direction of SCPM President, Alan Gottlieb construction management personnel will provide quality control and management of outside contractors services.

B. Organization Chart

The applicant shall illustrate the position of each staff and line of responsibility/supervision. If the request is part of a large, multi-purpose organization, include an organization chart that illustrates the placement of this request.

An organizational chart showing essential personnel is presented in Figure 5-1.

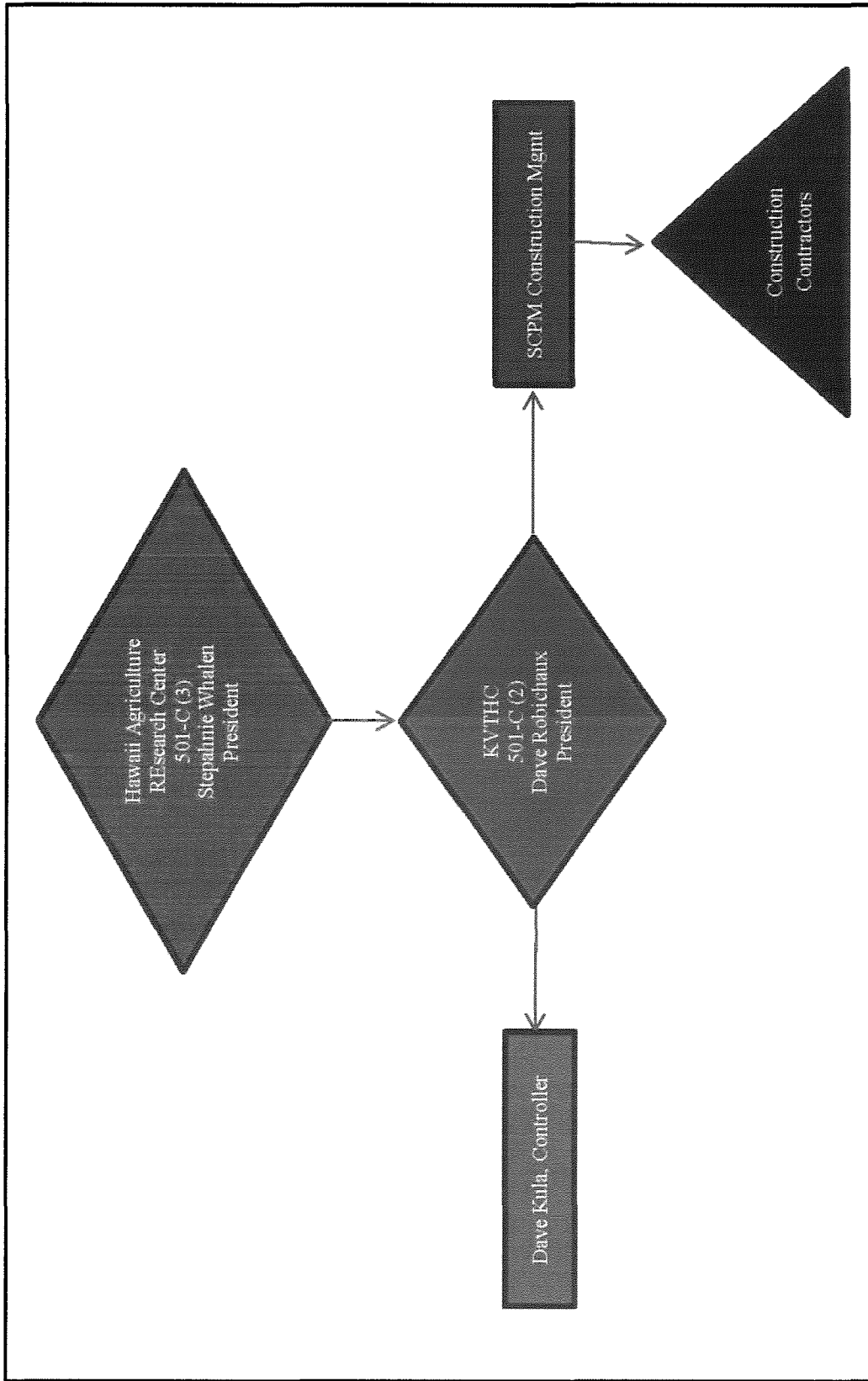


Figure 5-1 Organizational chart of project personnel

C. Compensation

The applicant shall provide the annual salaries paid by the applicant to the three highest paid officers, directors, or employees of the organization by position.

NO salary requests are included in this proposal. Salaries of the President, Controller and construction management team are in-kind contributions to the project.

VI. Other

A. Litigation

The applicant shall disclose any pending litigation to which they are a party, including the disclosure of any outstanding judgement. If applicable, please explain.

NONE

B. Licensure or Accreditation

The applicant shall specify any special qualifications, including but not limited to licensure or accreditation that the applicant possesses relevant to this request.

No licenses are required of KVTHC personnel. All construction contractors eligible for work on the facilities will be Hawaii contractors holding current and valid licenses for their individual trade.