OF COUNSEL:
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Attorneys for Petitioner
HONUA'ULA PARTNERS, LLC



BEFORE THE LAND USE COMMISSION

OF THE STATE OF HAWAI'I

In the Matter of the Petition of)	Docket No. A94-706
)	
KAONOULU RANCH to Amend the)	MOTION FOR ORDER
Agricultural Land Use District Boundary into)	AMENDING THE FINDINGS
the Urban Land Use District for approximately)	OF FACT, CONCLUSIONS OF
88 acres at Kaonoulu, Makawao-Wailuku,)	LAW, AND DECISION AND
Maui, Hawaii; Tax Map Key Nos. 2-2-02:por.)	AND ORDER DATED
of 15 and 3-9-01:16)	FEBRUARY 10, 1995;
)	AFFIDAVIT OF CURTIS T.
)	TABATA; EXHIBIT "1";
)	CERTIFICATE OF SERVICE
	_)	

MOTION FOR ORDER AMENDING THE FINDINGS OF FACT, CONCLUSIONS OF LAW, AND DECISION AND ORDER DATED FEBRUARY 10, 1995

Comes now, Petitioner HONUA`ULA PARTNERS, LLC ("HPL"), by and through its attorneys, MATSUBARA, KOTAKE & TABATA, respectfully moves the Land Use Commission of the State of Hawai`i ("Commission") pursuant to §15-15-70 and §15-15-94 of the Commission's Rules for an Order: 1) recognizing HPL's standing

to seek and obtain the relief requested herein; 2) issuing a new docket number for that portion of the Petition Area identified as Tax Map Key No. (2) 3-9-001: 169 ("Property" or "Honua`ula Parcel"); 3) amending the Findings of Fact, Conclusions of Law, and Decision and Order dated February 10, 1995 ("1995 Decision and Order") to release the Property from the conditions of the 1995 Decision and Order; and 4) issue a new Findings of Fact, Conclusions of Law, and Decision and Order for the Property for the purpose of establishing appropriate findings of fact, conclusions of law and conditions that are specifically applicable to Petitioner's proposed 250 unit workforce housing project ("Project").

In support of this Motion for Order Amending the Findings of Fact, Conclusions of Law, and Decision and Order dated February 10, 1995 ("Motion"), Petitioner alleges as follows:

I. <u>BACKGROUND</u>

The proposed Project will be developed to satisfy a portion of the workforce housing requirement for the HPL project in Wailea. The HPL project, formerly known as Wailea 670, is a proposed master-planned community located mauka of Wailea Resort.

The background of this docket, including the Petition for District Boundary

Amendment and the Order to Show Cause proceeding is stated in Piilani

Promenade South, LLC and Piilani Promenade North, LLC's Motion for Order

Amending the Findings of Fact, Conclusions of Law, and Decision and Order dated February 10, 1995, dated December 31, 2013 ("Piilani Motion to Amend"), which is hereby incorporated by reference herein as if fully set forth herein.

II. CHAPTER 343, HAWAII REVISED STATUTES

Attached hereto as Exhibit "1" is the Environmental Impact Statement

Preparation Notice for the Project. HPL intends to first complete the chapter 343

process, and then proceed with this Motion.

III. CONFORMANCE WITH STATE LAND USE STANDARDS

Although Petitioner is not seeking the reclassification of State Land Use District Boundaries, Petitioner is seeking a separate Decision and Order for its approximately 13.129 acres and will discuss the applicable requirements set forth by §15-15-50(c), Hawai'i Administrative Rules ("HAR") to support this motion. HPL reserves all rights in connection with the Order to Show Cause proceeding, including the right to appeal, and nothing in this Motion should be construed as an admission against or waiver of any such rights.

A. <u>PETITIONER AND REPRESENTATIVE</u>

Petitioner Honua'ula Partners, LLC is a Delaware limited liability company.

HPL is represented locally by Charles Jencks of Second & Peck Real Estate, LLC.

Correspondence and communications in connection with this Motion are to be

addressed to its attorneys, Benjamin M. Matsubara and Curtis T. Tabata, at 888 Mililani Street, Suite 308, Honolulu, Hawai'i, 96813.

B. <u>DESCRIPTION OF THE SUBJECT PROPERTY</u>

The Property is bordered by the Hashimoto farm and residential uses to the north; the future East Ka'ono'ulu Street to the south; vacant ranch lands to the east; commercial uses and Kihei Charter School to the northest; and the Piilani Promenade Light Industrial, Business/Commercial, and Multi-Family Project ("Piilani Project") to the west.

The Property is identified as Tax Map Key No. (2) 3-9-001: 169, and comprises approximately 13.129 acres of land. The location map, tax maps with the Property identified, and a metes and bounds map and description will be provided after the chapter 343 process.

C. PRESENT USE OF THE SUBJECT PROPERTY AND CONFORMITY TO URBAN DISTRICT STANDARDS

The Property is currently vacant and undeveloped.

The Project is consistent with the standards for urban districts pursuant to HAR §15-15-18. The Project will have "city-like" concentrations of people, structures, streets and urban level of services, and the Project is proximately located to centers of trading and employment, accessible to basic services, has satisfactory topography, reasonably free from adverse environmental effects, and is contiguous with existing urban areas.

D. <u>PETITIONER'S PROPERTY INTEREST IN THE SUBJECT PROPERTY</u>

Petitioner is the owner of the fee simple interest in the Property. Evidence of ownership will be provided after the chapter 343 process.

E. <u>DESCRIPTION OF EASEMENTS ON THE SUBJECT PROPERTY</u>

The easements on the Property will be described after the chapter 343 process.

F. DESCRIPTION OF THE USE OR DEVELOPMENT BEING PROPOSED

The proposed Project consists of 250 workforce housing units. The Project will consist of 125 rental housing units and 125 ownership units for sale with sale prices and rental rates to the determined through a housing agreement with the County of Maui. The housing agreement will specify the maximum sales and rental rates based on income groups ranging from "very low income" (households earning 50 percent or less than Area Median Income (AMI)) to "above-moderate income" (households earning 120 percent to 140 percent of AMI). Surface parking, 2.5 acres of park space, and related improvements are also proposed. Access to the site will be via the future East Ka'ono'ulu Street.

G. A STATEMENT OF PROJECTED NUMBER OF LOTS, LOT SIZE, NUMBER OF UNITS, DENSITIES, SELLING PRICE, INTENDED MARKET, AND DEVELOPMENT TIMETABLES

The Project includes 250 workforce housing units, subject to a future housing agreement with the County of Maui. A development timetable will be provided after the chapter 343 process.

H. FINANCIAL STATEMENTS AND FINANCING

A description of financial condition and financing for the Project will be provided after the chapter 343 process.

I. DESCRIPTION OF THE SUBJECT PROPERTY AND SURROUNDING AREAS

The Project site is undeveloped former pasture land, and generally slopes in a westerly direction toward the ocean.

The Project area is located in north Kihei, mauka of Pi'ilani Highway, near the future Pi'ilani Promenade and Kihei High School. The Project site is bordered by vacant land and residential uses to the north, commercial uses and Kihei Charter School to the northwest, the future Pi'ilani Promenade Project to the west and south, and agricultural lands are to the east. Various commercial, recreational, and civic facilities are located within two (2) miles of the project site.

1. <u>USE OF THE PROPERTY OVER THE PAST TWO YEARS</u>

The Property has been and remains.

2. PRESENT USE OF THE PROPERTY

The Property is currently vacant.

3. SOIL CLASSIFICATION

Underlying the project site are soils belonging to the Waiakoa-Keahua-Molokai association. The State of Hawai'i characterizes the soils of the Waiakoa-

Keahua-Molokai association as consisting of well-drained, moderately fine-textured soils on the low uplands of Central Maui. These soils are nearly level to moderately steep, which developed in material weathered from basic igneous rocks. The association makes up about 15 percent of the island.

The specific soil type underlying the project site is primarily Waiakoa Extremely Stony Silty Clay Loam (WID2). Waiakoa Extremely Stony Silty Clay Loam (WID2) erodes and has stones covering 3 to 15 percent of the surface. In most areas, about 50 percent of the surface layer has been removed by erosion. Runoff is medium, and the erosion hazard is severe. In this area of Kihei, including the project site, there are numerous outcrops of blue rock, which also comprise much of the underlying soil composition.

4. AGRICULTURAL LANDS OF IMPORTANCE TO THE STATE OF HAWAII (ALISH)

The Property is identified as Unclassified and is located in an area designated for urban use.

5. PRODUCTIVITY RATING

The Property is not classified by the Land Study Bureau as it has been designated for urban use.

6. FLOOD AND DRAINAGE CONDITIONS

As indicated by the Flood Insurance Rate Map (FIRM) for the area, the subject Property is located in Zone X, which denotes an area of minimal flooding and low flood risk. Specifically, the Federal Emergency Management Agency (FEMA) describes areas in Flood Zone X as "Areas determined to be outside the 0.2% annual chance floodplain." In addition, the Project is situated outside of the tsunami evacuation zone and extreme tsunami evacuation zone as identified by the County of Maui.

There are no restrictions on development with regards to the Flood Zone X designation. Moreover, because the Project is located outside of the tsunami inundation area, there are no threats to the surrounding areas from coastal wave action. No adverse impacts with regards to flood and tsunami hazards are anticipated as a result of this Project.

7. TOPOGRAPHY OF THE SUBJECT PROPERTY

The Property generally slopes in a westerly direction toward the ocean.

J. ASSESSMENT OF IMPACT OF THE PROPOSED USE OR DEVELOPMENT

The following discussion is based upon the content of the EISPN attached as Exhibit "1". This Motion will be updated with the completed analyses after the chapter 343 process is concluded.

1. ENVIRONMENT

HPL will be preparing an Environmental Impact Statement to assess the environmental impacts of the Project, and will conduct studies that will include but not be limited to flora and fauna, archaeology, cultural resources, water, air quality, noise quality, traffic and engineering.

2. AGRICULTURE

The Property was reclassified to the Urban District in 1995. The Property was previously used as a dry, seasonal pasture.

3. RECREATIONAL

The Project will include 2.5 acres of park and open space.

Existing recreational facilities include public parks which include Kalepolepo,
Waipu'ilani, Kalama, and Kama'ole Beach Parks; as well as the Kihei Community
Center and Aquatic Center, golf courses, and shoreline activities.

4. <u>HISTORIC AND CULTURAL</u>

An Archaeological Inventory Survey (AIS) was completed for the 88-acre

Ka'ono'ulu Commercial and Light Industrial project in 1994 by Xamanek Researches,

LLC.

An updated AIS will be prepared specifically for the Honua'ula Offsite

Workforce Housing site. Results of the AIS will be reported in the Draft EIS to ensure
that any impacts to archaeological and historical resources are appropriately mitigated.

5. SCENIC

The slopes of Haleakala are visible from the Project site, with the West Maui Mountains visible to the northwest. The Project site is not located within a scenic view corridor, nor is it a part of a valuable open space resource area.

Site plans, building elevations, and renderings for the Project will be provided as part of the assessment on potential impacts to scenic and open space resources. These renderings will be included and discussed in the Draft EIS.

6. FLORA AND FAUNA

A flora and fauna survey was completed in the vicinity of the Project area for the adjacent Pi'ilani Promenade project by Robert W. Hobdy, environmental consultant, in July 2013. Approximately 80 acres of land were surveyed, including the proposed Project area. The flora and fauna report noted that native plants have been eliminated by fires and grazing, and the site is now dominated by kiawe trees (*Prosopis pa/Iida*) and buffelgrass (*Cenchrus ci/iaris*), both non-native species. Of the ten (10) species of plants that were recorded during the survey of the 80 acres, only two (2) were native Hawaiian species – the ilima (*Sida fa/lax*) and uhaloa (*Waltheria indica*), both of which are widespread and commonly found in Hawai'i and other countries. No Federally listed endangered or threatened native plants or special habitats were observed during the survey.

The flora and fauna survey report also noted that four (4) mammalian species, seven (7) non-native avian species, and six (6) insect species were found on the

Property. Nene geese were observed overflying the project area, but none were found within the Project area. No evidence of native birds, the Hawaiian hoary bat, the Blackburn's sphinx moth, or their larvae was found during the survey, and none would be expected in this habitat.

Based on previous biological studies in the area, no rare, threatened, or endangered plant or animal species are anticipated to be within the Project site. However, a site specific biological survey will be carried out as part of the environmental review process for the proposed Honua'ula Offsite Workforce Housing project. Results of the biological survey will be reported in the Draft EIS to ensure biological resources are not adversely impacted. Additionally, the U.S. Fish and Wildlife Service (USFWS) and the Department of Land and Natural Resources (DLNR) will be consulted during the preparation of the Draft EIS.

Development of the proposed Project will result in the replacement of existing scrub vegetation with a landscaped urban environment including buildings and extensive parking lots. Landscape materials will include lawn areas, ornamental shrubs, and trees. Drought resistant plants will be incorporated into the landscaping palette wherever practicable.

7. **GROUNDWATER**

The construction and operation of the Project is not anticipated to result in a significant adverse impact upon the region's groundwater resources.

K. AVAILABILITY OR ADEQUACY OF PUBLIC SERVICES AND FACILITIES

1. <u>SCHOOLS</u>

The State Department of Education (DOE) operates three (3) schools in the Kihei area. Kihei Elementary School and Kamali'i Elementary School are located approximately 1.5 and 3.3 miles from the Project area, respectively, each covers grades K to 5. Lokelani Intermediate School located approximately 1.5 miles away covers grades 6 to 8. Maui High School, which is located in Kahului, is the designated public high school grades 9 to 12, for Kihei residents. Kihei Charter School, which has elementary, middle, school, and high school students is located approximately 0.2 of a mile from the Project site.

The DOE will be consulted as part of the Draft EIS preparation process, and impacts to educational facilities will be discussed in the Draft EIS.

2. PARKS

The Project will include 2.5 acres of park and open space.

Existing recreational facilities include public parks which include Kalepolepo, Waipu'ilani, Kalama, and Kama'ole Beach Parks.

3. <u>POLICE PROTECTION</u>

The headquarters of the County of Maui Police Department (MPD) are located at its Wailuku Station. The department consists of several patrol, support,

administrative, and investigative divisions that service the Hana, Lana'i, Lahaina, Moloka'i, and Wailuku regions. The MPD's Kihei Patrol, which covers the Kihei-Makena region, currently operates from the Kihei Police Department located at 221 Pi'ilani Highway, approximately three (3) miles south of the project site.

4. <u>FIRE PROTECTION</u>

Fire prevention, protection, and suppression services are provided by the County of Maui, Department of Fire and Public Safety. The Kihei Fire Station, which services the Kihei-Makena region, is situated on South Kihei Road near Kalama Park, approximately 2.5 miles south of the Project site. The Wailea Fire Station is located about 4.5 miles to the south of the Project site. The Wailea Station services the area from Kama'ole Beach Park II to Makena and provides back-up support for the Kihei Station when required.

5. WASTEWATER SYSTEMS

The Kihei region is currently serviced by a wastewater collection, treatment, and disposal system owned and operated by the Department of Environmental Management, Wastewater Reclamation Division (WWRD). The system consists of a number of pump stations and force mains which convey wastewater through the County's transmission lines. The Kihei Wastewater Reclamation Facility (KWRF) processes the wastewater for the South Maui area.

The Preliminary Engineering Report ("PER") will assess wastewater impacts of the proposed project. The findings of the PER will be reported in the Draft EIS.

6. SOLID WASTE DISPOSAL

The proposed Honua'ula Offsite Workforce Housing project will be served by a private solid waste collection service. In 2009, the County of Maui's Integrated Solid Waste Management Plan (ISWMP) estimated the existing Central Maui Landfill (Phases IV-VI) had remaining capacity of 780,000 tons. According to the ISWMP, the existing landfill has adequate capacity to accommodate residential and commercial waste needs through the year 2026. In the ISWMP, the Department of Environmental Management (DEM) anticipates that additional land can be acquired for future capacity at the landfill. DEM currently estimates that the Central Maui Landfill will accommodate waste collection needs through 2032 based on current plans for expansion.

Solid waste that may be generated during construction will be disposed at an approved facility. When the Project is implemented and operational, solid waste resulting from the project site will be collected and disposed of by a private collection company for disposal at the Central Maui Landfill.

Impacts to solid waste services and facilities will be discussed in the Draft EIS.

7. STORMWATER DRAINAGE

The PER will assess impacts to stormwater runoff and drainage needs resulting from the proposed Project. The findings of the PER will be reported in the Draft EIS.

8. POTABLE WATER

PER will be prepared for the Proposed project as part of the environmental review process. The PER will assess water needs for the proposed development. The findings of the PER will be reported in the Draft EIS.

9. TRANSPORTATION SYSTEMS

A Traffic Impact Analysis Report (TIAR) for the build out of the proposed development will be carried out as part of the environmental review process to assess the traffic impacts of the proposed Project. The findings of the TIAR will be reported in the Draft EIS.

10. PUBLIC UTILITIES

Electrical service is provided to the area by Maui Electric Company, Ltd.

(MEGO). Hawaiian Telcom and Oceanic Time Warner Cable provide telephone and cable television service in the area.

L. LOCATION OF THE PROPOSED USE OR DEVELOPMENT IN RELATION TO ADJACENT LAND USE DISTRICTS AND ANY CENTERS OF TRADING AND EMPLOYMENT

The Subject Property is located within the State Urban district and is adjacent to State Urban District lands. The Property is situated in Kihei which consists of

commercial, business, educational, recreational and residential centers of trading and employment.

M. <u>ECONOMIC IMPACTS OF THE PROPOSED DEVELOPMENT</u>

The Maui economy is heavily dependent upon the visitor industry. The dependency on the visitor industry is especially evident in the Kihei- Makena region, which is one of the State's major resort destination areas. The foundation for the region's visitor strength lies in the availability of vacation rentals, world-class resorts, and recreational facilities throughout Kihei, Wailea, and Makena. Service support for the visitor industry is also found in Kihei, where numerous retail commercial centers are located.

The State's overall economic growth rate remains strong. The State unemployment rate (not seasonally adjusted) was 2.6 percent in April 2017, lower than the national average of 4.1 percent. Maui Island is exhibiting similar trends with an unemployment rate for the same period of 2.9 percent.

1. EMPLOYMENT

On a short-term basis, the project will support construction and construction-related employment.

2. POTENTIAL IMPACT TO AGRICULTURAL PRODUCTION IN THE VICINITY OF THE SUBJECT PROPERTY, AND IN THE COUNTY AND STATE

The Project will have little or no impact on agricultural production. The site is not currently within the State Agricultural District.

N. IF A RESIDENTIAL DEVELOPMENT IS PROPOSED, A
DESCRIPTION OF THE MANNER IN WHICH THE PETITIONER
ADDRESSED THE HOUSING NEEDS OF LOW INCOME, LOWMODERATE INCOME, AND GAP GROUPS

The proposed Project will consist entirely of 250 workforce housing units that will be subject to housing agreement with the County of Maui.

O. <u>NEED FOR THE PROPOSED DEVELOPMENT</u>

A market study, economic impact analysis, and public cost benefit assessment will be prepared for the proposed Project. The findings of the study will be presented in the Draft EIS.

P. AN ASSESSMENT OF CONFORMITY OF THE PROPOSED USE TO APPLICABLE GOALS, OBJECTIVES, AND POLICIES OF THE HAWAII STATE PLAN, CHAPTER 226, HRS, AND APPLICABLE PRIORITY GUIDELINES AND FUNCTIONAL PLAN POLICIES

An assessment of the Project's conformance to the applicable goals, objectives, and policies of the Hawaii State Plan and applicable Priority Guidelines and Functional Plan Policies will be included in the Draft EIS.

Q. AN ASSESSMENT OF THE CONFORMITY OF THE PROPOSED USE TO OBJECTIVES AND POLICIES OF THE COASTAL ZONE MANAGEMENT PROGRAM, CHAPTER 205A, HRS

An assessment of the Project's conformance to the objectives and policies of the Coastal Zone Management Program will be included in the Draft EIS.

R. AN ASSESSMENT OF CONFORMITY OF THE RECLASSIFICATION TO THE APPLICABLE COUNTY GENERAL PLANS, DEVELOPMENT OR COMMUNITY PLANS, ZONING DESIGNATIONS AND POLICIES, AND PROPOSED AMENDMENTS REQUIRED

The Property is located in the State's Urban District.

Maui County General Plan:

As indicated by the Maui County Charter, the purpose of the general plan shall be to:

... indicate desired population and physical development patterns for each island and region within the county; shall address the unique problems and needs of each island and region; shall explain opportunities and the social, economic, and environmental consequences related to potential developments; and shall set forth the desired sequence, patterns and characteristics of future developments. The general plan shall identify objectives to be achieved, and priorities, policies, and implementing actions to be pursued with respect to population density; land use maps, land use regulations, transportation systems, public and community facility locations, water and sewage systems, visitor destinations, urban design, and other matters related to development.

Chapter 2.808 of the Maui County Code, relating to the General Plan and Community Plans, implements the foregoing Charter provision through enabling legislation which calls for a Countywide Policy Plan and a Maui Island Plan. The Countywide Policy Plan was adopted as Ordinance No. 3732 on March 24, 2010, while the Maui Island Plan, which delineates areas for future urban and rural

growth as part of a Directed Growth Strategy, was adopted as Ordinance No. 4004 on December 28, 2012.

Countywide Policy Plan:

With regard to the CPP, Section 2.808.030 of the Maui County Code states the following:

The countywide policy plan shall provide broad policies and objectives which portray the desired direction of the County's future. The countywide policy plan shall include:

- 1. A vision for the County;
- 2. A statement of core themes or principles for the County; and
- 3. A list of countywide objectives and policies for population, land use, the environment, the economy, and housing.

Core principles set forth in the Countywide Policy Plan are listed as follows:

- 1. Excellence in the stewardship of the natural environment and cultural resources;
- 2. Compassion for and understanding of others;
- 3. Respect for diversity;
- 4. Engagement and empowerment of Maui County residents;
- 5. Honor for all cultural traditions and histories;
- 6. Consideration of the contributions of past generations as well as the needs of future generations;
- 7. Commitment to self-sufficiency;
- 8. Wisdom and balance in decision making;
- 9. Thoughtful, island appropriate innovation; and
- 10. Nurturance of the health and well-being of our families and our communities.

Congruent with these core principles, the Countywide Policy Plan identifies goals objectives, policies and implementing actions for pertinent functional planning categories, which are identified as follows:

- 1. Natural environment
- 2. Local cultures and traditions
- 3. Education
- 4. Social and healthcare services
- 5. Housing opportunities for residents
- 6. Localeconomy
- 7. Parks and public facilities
- 8. Transportation options
- 9. Physical infrastructure
- 10. Sustainable land use and growth management
- 11. Good governance

Maui Island Plan:

The MIP is applicable to the island of Maui only, providing more specific policy-based strategies for population, land use, transportation, public and community facilities, water and sewage systems, visitor destinations, urban design, and other matters related to future growth.

As provided by Chapter 2.808, the MIP shall include the following components:

- 1. An island-wide land use strategy, including a managed and directed growth plan
- 2. A water element assessing supply, demand and quality parameters

- 3. A nearshore ecosystem element assessing nearshore waters and requirements for preservation and restoration
- 4. An implementation program which addresses the County's 20- year capital improvement requirements, financial program for implementation, and action implementation schedule
- 5. Milestone indicators designed to measure implementation progress of the MIP

It is noted that Ordinance No. 4004 does not address the component relating to the implementation program. Chapter 2.808 of the Maui County Code, relating to the General Plan, was amended via Ordinance No. 3979 on October 5, 2012, to provide that the implementation program component be adopted no later than one (1) year following the effective date of Ordinance No. 4004. The implementation program component of the MIP was adopted by Ordinance No. 4126 on May 29, 2014.

The MIP addresses a number of planning categories with detailed policy analysis and recommendations which are framed in terms of goals, objectives, policies and implementing actions. These planning categories address the following areas:

- 1. Population
- 2. Heritage Resources
- 3. Natural Hazards
- 4. Economic Development
- 5. Housing
- 6. Infrastructure and Public Facilities
- 7. Land Use

An essential element of the MIP is its directed growth plan which provides a management framework for future growth in a manner that is fiscally, environmentally, and culturally prudent. Among the directed growth management tools developed through the MIP process are maps delineating urban growth boundaries (UGB), small town boundaries (STB), and rural growth boundaries (RGB). The respective boundaries identify areas appropriate for future growth and their corresponding intent with respect to development character. HPL proposes the development of a workforce housing community within the UGB of the MIP.

An assessment of the project's conformance to the CPP and the MIP will be included in the Draft EIS.

Kihei-Makena Community Plan:

There are nine (9) community plan regions within Maui County. From a General Plan implementation standpoint, each region is governed by a community plan which sets forth desired land use patterns, as well as goals, objectives, policies, and implementing actions for a number of functional areas including infrastructure-related parameters.

The proposed Honua'ula Offsite Workforce Housing project is located within the Kihei- Makena Community Plan region. The existing land use designation for the project area under the Community Plan are set forth in the Kihei-Makena Community Plan Land Use Map. The lands underlying the subject property are designated as

"Light Industrial" by the Kihei-Makena Community Plan. An assessment of the project's conformance with the Kihei-Makena Community Plan will be included in the Draft EIS.

County Zoning:

The project site is currently zoned "M-1, Light Industrial" by the County of Maui. The proposed Honua'ula Offsite Workforce Housing Project is consistent with the "M-1, Light Industrial" zoning designation, as apartment houses are a principal permitted use within the "M-1, Light Industrial" district.

S. A STATEMENT ADDRESSING HAWAIIAN CUSTOMARY AND TRADITIONAL RIGHTS UNDER ARTICLE XII, SECTION 7 OF THE HAWAII STATE CONSTITUTION

Petitioner is aware of and sensitive to the existence and practice of native

Hawaiian customary and traditional rights that are protected by Article XII, Section 7 of
the Hawai'i State Constitution. There are no known traditional gathering activities or
cultural practices affecting the Property.

IV. RELIEF REQUESTED

Petitioner seeks an Order: 1) recognizing HPL's standing to seek and obtain the relief requested herein; 2) issuing a new docket number for the Property; 3) amending the 1995 Decision and Order to release the Property from the conditions of the 1995 Decision and Order; and 4) issue a new Findings of Fact, Conclusions of Law, and Decision and Order for the Property for the purpose of establishing appropriate

findings of fact, conclusions of law and conditions that are specifically applicable to Petitioner's Project.

A. STANDING

Petitioner is the owner of the fee simple interest in the Property. Based on the foregoing, Petitioner requests that the Commission recognize Petitioner as having the requisite standing to seek and obtain the relief requested herein.

B. REQUESTED MODIFICATION OR DELETION OF CONDITIONS

Petitioner requests that the Property be released from conditions in the 1995

Decision and Order and that a new findings of fact, conclusions of law and decision and order be issued with respect to the Property under a new docket number. The intent of this request is to establish a separate set of conditions that will apply specifically to the Property, where the drafting of these conditions will start with the existing conditions in the 1995 Decision and Order and thereafter modify or delete certain conditions to reflect the changed project description specific to the Property.

The following discussion relating to those conditions that would be included in the new findings of fact, conclusions of law and decision and order and would apply only to the Property will first quote all of the conditions in the 1995 Decision and Order, and each condition will be followed by the request for modification or deletion, if any, together with the support for the request.

1995 Condition 1:

"The Petitioner shall obtain a Community Plan Amendment and Change in Zoning from the county of Maui."

Request for Modification or Deletion:

HPL does not seek any modification or deletion to Condition 1.

1995 Condition 2:

"Petitioner shall cooperate with the State Department of Health and the County of Maui Department of Public Works and Waste Management to conform to the program goals and objectives of the Integrated Solid Waste Management Act, Chapter 342G, Hawaii Revised Statues."

Request for Modification or Deletion:

HPL requests that the name of the agency "County of Maui Department Environmental Management" be substituted for the name "County of Maui Department of Public Works and Waste Management" to reflect the change of County of Maui governmental agencies responsible for solid waste and waste water within the County of Maui.

1995 Condition 3:

"Petitioner shall contribute its pro-rata share to fund and construct adequate wastewater treatment, transmission and disposal facilities, as determined by the State Department of Health and the County of Maui Department of Public Works and Waste Management."

Request for Modification or Deletion:

HPL requests the same modification requested for Condition 2.

1995 Condition 4:

"Petitioner shall fund and construct adequate civil defense measures as determined by the State and County Civil Defense agencies."

Request for Modification or Deletion:

HPL does not seek any modification or deletion of Condition 4.

1995 Condition 5:

"Petitioner shall fund, design and construct necessary local and regional roadway improvements necessitated by the proposed development in designs and schedules accepted by the State Department of Transportation and the County of Maui. Petitioner shall provide traffic signals at the intersection of Piilani Highway and Kaonoulu Street, and shall submit a warrant study in coordination with the Department of Transportation. Petitioner shall also install a fence and appropriate screening, i.e., landscaping, etc., along the highway right-of-way in coordination with the State Department of Transportation. Petitioner shall provide for a frontage road parallel to Piilani Highway and other connector roads within the Petition area, in coordination with other developments in the area with the review and approval of the State Department of Transportation and the County of Maui."

Request for Modification or Deletion:

HPL requests deletion of this condition.

1995 Condition 6:

"Petitioner shall fund and construct adequate potable and non-potable water source, storage, and transmission facilities and improvements to accommodate the proposed project. Water transmission facilities and improvements shall be coordinated and approved by the appropriate State and County agencies."

Request for Modification or Deletion:

HPL requests deletion of the requirement to construct water source and storage.

1995 Condition 7:

"Petitioner shall participate in an air quality monitoring program as determined by the State Department of Health."

Request for Modification or Deletion:

HPL does not seek any modification or deletion of Condition 7.

1995 Condition 8:

"Petitioner shall fund the design and construction of its pro-rata share of drainage improvements required as a result of the development of the Property, including oil water separators and other filters as appropriate, and other best management practices as necessary to minimize non-point source pollution into Kulanihakoi Gulch, in coordination with appropriate state and county agencies, such as the following:

- a. All cleaning, repairs and maintenance of equipment involving the use of industrial liquids, such as gasoline, diesel, solvent, motor oil, hydraulic oil, gear oil, brake fluid, acidic or caustic liquids, antifreeze, detergents, degreasers, etc., shall be conducted on a concrete floor, where roofed or unroofed. The concrete floor shall be constructed so as to be able to contain any drips or spills and to provide for the recovery of any spilled liquid. Water drainage from these concrete floors, if necessary, shall pass through a separator sump before being discharged.
- b. All employees shall be instructed to immediately collect and contain any industrial liquid spills on the concrete floor and should be informed against discharging or spilling any industrial liquids. Employees shall be instructed to prevent any industrial liquid spills onto the bare ground.
- c. Barrels for the temporary storage of used oil or other industrial liquids shall be kept on a concrete surface. The surface shall be bermed to prevent the loss of liquid in the event of spills or leaks. The barrels shall be sealed and kept under shelter from the rain. (The Department of Labor and Industrial Relations' Occupational Safety and Health regulations, sections titles, "Housekeeping Standards" and "Storage of Flammable or Combustible Liquids," shall be followed, along with the local fire code.)"

Request for Modification or Deletion:

HPL requests that the term "Property" be deleted and replaced with "Honua'ula Parcel" to indicate the applicability of this condition solely to the Honua'ula Project.

1995 Condition 9:

"Should any human burials or any historic artifacts, charcoal deposits, or stone platforms, pavings or walls be found, the Petitioner shall stop work in the immediate vicinity and contact the State Historic Preservation District. The significance of these finds shall be determined and approved by the Division, and an acceptable mitigation plan shall be approved by the Division. The Division must verify that the fieldwork portion of the mitigation plan has been successfully executed prior to work proceedings in the immediate vicinity of the find. Burials must be treated under specific provisions of Chapter 6E, Hawaii Revised Statues."

Request for Modification or Deletion:

HPL does not seek any modification or deletion of Condition 9.

1995 Condition 10:

"A long term preservation plan for the petroglyph stone (Site 50-10-3746) that was removed from the project area shall be reviewed and approved by the State Historic Preservation Division. Long term preservation measures shall be implemented within 60 days after final approval of the preservation plan."

Request for Modification or Deletion:

HPL request that this condition be deleted because it has been satisfied.

1995 Condition 11:

"Petitioner shall contribute its pro-rata share to a near shore water quality monitoring program as determined by the State Department of Health and the State Division of Aquatic Resources, Department of Land and Natural Resources."

Request for Modification or Deletion:

HPL does not seek any modification or deletion of Condition 11.

1995 Condition 12:

"Petitioner shall implement effective soil erosion and dust control methods during construction in compliance with the rules and regulations of the State Department of Health and the County of Maui."

Request for Modification or Deletion:

HPL does not seek any modification or deletion of Condition 12.

1995 Condition 13:

"Petitioner shall create a buffer zone between lands designated as SF (Single-Family) by the County's Kihei-Makena Community Plan and industrial uses on the Property to mitigate impacts between future residential activities and the proposed industrial development."

Request for Modification or Deletion:

HPL does not seek modification or deletion of condition 13.

1995 Condition 14:

"In the event Petitioner sells its interest in the Project, Petitioner shall subject the Property to deed restrictions to run with the land which shall require the successors and assigns to comply with the terms and conditions set forth in the Commission's Decision and Order."

Request for Modification or Deletion:

HPL requests that the term "Property" be deleted and replaced with "Honua'ula

Parcel" to indicate the applicability of this condition solely to the Honua'ula Project.

1995 Condition 15:

"Petitioner shall develop the Property in substantial compliance with the representations made to the Commission. Failure to so develop the Property may result in reversion of the Property to its former classification, or change to a more appropriate classification."

Request for Modification or Deletion:

HPL requests that the term "Property" be deleted and replaced with "Honua'ula

Parcel" to indicate the applicability of this condition solely to the Honua'ula Project.

1995 Condition 16:

"Petitioner shall give notice to the Commission of any intent to sell, lease, assign, place in trust, or otherwise voluntarily alter the ownership interests in the Property, prior to development of the Property."

Request for Modification or Deletion:

HPL requests that the term "Property" be deleted and replaced with "Honua'ula

Parcel" to indicate the applicability of this condition solely to the Honua'ua Project.

1995 Condition 17:

"Petitioner shall timely provide without any prior notice, annual reports to the Commission, the Office of State Planning, and the County of Maui Planning Department in connection with the status of the subject Project and Petitioner's progress in complying with the conditions imposed herein. The annual report shall include written documentation from each State and County agency responsible, indicating that the terms of the condition(s) are progressing satisfactorily or have been completed to the satisfaction of the agency. The annual report shall be submitted in a form prescribed by the Executive Officer of the Commission."

Request for Modification or Deletion:

HPL does not seek any modification or deletion of Condition 17.

1995 Condition 18:

"Petitioner shall record the conditions imposed herein by the Commission with the Bureau of Conveyances pursuant to Section 15-15-92 Hawaii Administrative Rules."

Request for Modification or Deletion:

HPL does not seek any modification or deletion of Condition 18.

1995 Condition 19:

"Within seven (7) days of the issuance of the Commission's Decision and Order for the subject reclassification, Petitioner shall (a) record with the Bureau of Conveyances a statement that the Property is subject to conditions imposed herein by the Land Use Commission in the reclassification of the Property; and (b) shall file a copy of such recorded statement with the Commission."

Request for Modification or Deletion:

HPL requests that the term "Property" be deleted and replaced with "Honua'ula

Parcel" to indicate the applicability of this condition solely to the Honua'ula Project.

1995 Condition 20:

"The Commission may fully or partially release the conditions provided herein as to all or any portion of the Property upon timely motion and upon the provision of adequate assurance of satisfaction of these conditions by the Petitioner."

Request for Modification or Deletion:

HPL requests that the term "Property" be deleted and replaced with "Honua`ula Parcel" to indicate the applicability of this condition solely to the Honua`ula Project.

V. <u>CONCLUSION</u>

Based upon the foregoing, Petitioner respectfully requests that the Commission grant this motion after a hearing which Petitioner hereby requests pursuant to HAR §15-15-70(i).

DATED: Honolulu, Hawai'i, July 5, 2017.

Of Counsel:

MATSUBARA, KOTAKE & TABATA

A Law Corporation

BENJAMIN M. MATSUBARA

CURTIS T. TABATA

Attorneys for Petitioner

HONUA'ULA PARTNERS, LLC

BEFORE THE LAND USE COMMISSION

OF THE STATE OF HAWAI'I

In the Matter of the Petition of)	Docket No. A94-706
)	
KAONOULU RANCH to Amend the)	
Agricultural Land Use District Boundary into)	
the Urban Land Use District for approximately	y)	
88 acres at Kaonoulu, Makawao-Wailuku,)	
Maui, Hawaii; Tax Map Key Nos. 2-2-02:por.)	
of 15 and 3-9-01:16)	
)	

AFFIDAVIT OF CURTIS T. TABATA

STATE OF HAWAII)	
)	SS.:
CITY AND COUNTY OF HONOLULU)	

Curtis T. Tabata, being first duly sworn, on oath, deposes and says that:

- 1. I am one of the attorneys representing Honua`ula Partners, LLC in the above entitled matter.
- 2. I have personal knowledge of the matters set forth herein and am qualified and competent to make this affidavit.
- 3. Attached hereto as Exhibit "1" is a true and correct copy of the Environmental Impact Statement Preparation Notice for the Proposed Honua`ula Offsite Workforce Housing Project.

[The remainder of this page is intentionally left blank.]

That further Affiant sayeth naught.

CURTIS T. TABATA

Subscribed and sworn to me this 2014 day of June Name: Notary Public, State of Hawai'i My Commission expires: <u>02/21/2019</u> NOTARY CERTIFICATE (Hawai'i Administrative Rules § 5-11-8) Document Identification or Description: Affidavit of Curtis T. Tabata; Exhibit "1" June 70, 2017 Doc. Date: _No. of Pages: <u>56</u> Jurisdiction: First Circuit (in which notarial act is performed) Signature of Notary Date of Certificate Teresita C. Jacinto Printed Name of Notary (Official Stamp or Seal)

Act 172-12 Environmental Impact Statement Preparation Notice

PROPOSED HONUA'ULA OFFSITE WORKFORCE HOUSING PROJECT

(TMK No. (2)3-9-001:169)

Prepared for:

Honua'ula Partners, LLC

Accepting Authority:

State Land Use Commission

June 2017

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EXHIBIT "1"

Act 172-12 Environmental Impact Statement Preparation Notice

PROPOSED HONUA'ULA OFFSITE WORKFORCE HOUSING PROJECT

(TMK No. (2)3-9-001:169)

Prepared for:

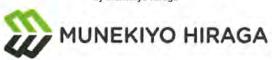
Honua'ula Partners, LLC

Accepting Authority:

State Land Use Commission

June 2017

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List of Acronyms

AIS Archaeological Inventory Survey

ALISH Agricultural Lands of Importance to the State of Hawai'i

AMI Area Median Income

BMP Best Management Practices

CATV cable television

CIA Cultural Impact Assessment CPP Countywide Policy Plan

DBA District Boundary Amendment

DBEDT Department of Business, Economic Development & Tourism

DEM Department of Environmental Management
DLNR Department of Land and Natural Resources

DOE Department of Education
DWS Department of Water Supply
EA Environmental Assessment
EIS Environmental Impact Statement

FEMA Federal Emergency Management Agency

FIRM Flood Insurance Rate Map HAR Hawai'i Administrative Rules

HC&S Hawaii Commercial & Sugar Company

HPL Honua'ula Partners, LLC HRS Hawai'i Revised Statutes

ISWMP Integrated Solid Waste Management Plan KWRF Kihei Wastewater Reclamation Facility

LSB Land Study Bureau
MCC Maui County Code
MECO Maui Electric Company

MIP Maui Island Plan

MPD Maui Police Department

NPDES National Pollutant Discharge Elimination System

PER Preliminary Engineering Report

RGB Rural Growth Boundary

SHPD State Historic Preservation Division
SIHP State Inventory of Historic Places
SLUC State Land Use Commission

STB Small Town Boundary

TIAR Traffic Impact Analysis Report

UGB Urban Growth Boundary
UHMC University of Hawai'i Maui College

USFWS United States Fish and Wildlife Services
WID2 Waiakoa Extremely Stony Silty Clay
WWRD Wastewater Reclamation Division

Executive Summary

Project Name:	onuaʻula Offsite Workforce Housing Project
---------------	--

Type of Document: Act 172-12 Environmental Impact Statement (EIS)

Preparation Notice

Legal Authority: Chapter 343, Hawai'i Revised Statutes

Anticipated Determination: EIS to be prepared

Applicable Environmental

Assessment review "Trigger": Use of State or County Lands

Location: Maui Island

Kīhei

TMK No. (2)3-9-001:169

Landowner: Honua'ula Partners, LLC

1999 Avenue of the Stars, Suite 2850

Los Angeles, California 90067 Contact: Charles Jencks Telephone: (808)879-5205

Applicant: Honua'ula Partners, LLC

1999 Avenue of the Stars, Suite 2850

Los Angeles, California 90067 Contact: Charles Jencks Telephone: (808)879-5205

Accepting Authority: State Land Use Commission

235 S. Beretania Street, Room 406

Honolulu, Hawai'i 96813

Contact: Dan Orodenker, Executive Officer

Telephone: (808)587-3822

Consultant: Munekiyo Hiraga

305 High Street, Suite 104 Wailuku, Hawai'i 96793 Contact: Tessa Munekiyo Ng Telephone: (808) 983-1233

Project Summary:

Per Condition No. 5 of the Unilateral Agreement for Project District 9, Honua'ula Partners, LLC (HPL) is proposing the Honua'ula Offsite Workforce Housing Project on 13 acres of land at TMK (2)3-9-001:169, Kīhei, Maui, Hawai'i.

HPL is conditioned to build 250 workforce housing units in multiple multi-family residential buildings within the project site. The project will consist of 125 rental housing units and 125 ownership units for sale, with sales prices and rental rates to be determined through a housing agreement with the County of Maui. Surface parking, 2.5 acres of park space, and related improvements are also proposed. Access to the site will be via the future East Ka'ono'ulu Street.

The project site, which is owned by HPL, is located within lands formerly identified as the Kaʻonoʻulu Commercial and Light Industrial Project. The 88-acre Kaʻonoʻulu Commercial and Light Industrial Project received a District Boundary Amendment (DBA) from "Agricultural" to "Urban" from the State Land Use Commission (SLUC) in 1995. The County of Maui subsequently approved a rezoning of the Kaʻonoʻulu Commercial and Light Industrial Project from "Agricultural" to "M-1, Light Industrial" in 1998. The project site is also designated "Light Industrial" in the Kihei-Makena Community Plan, adopted in 1998.

The former 88-acre Ka'ono'ulu Commercial and Light Industrial Project area is currently owned by two (2) different entities. HPL owns the 13-acre site that is being proposed for workforce housing. The remaining 75 acres are owned by Sarofim Realty Advisors, who is proposing the development of a Light Industrial, Business/Commercial, and Multi-Family Project known as Pi'ilani Promenade. A Final EIS for the Pi'ilani Promenade project has been prepared and is pending a hearing with the SLUC.

With respect to the 13-acre site, which is the subject of this EIS Preparation Notice, HPL will be filing a Motion for Order Amending the Findings of Fact, Conclusions of Law, and Decision and Order dated February 10, 1995 for the Ka'ono'ulu Commercial and Light Industrial Project to allow for the workforce housing use and to establish the 13-acre workforce

housing project as a separate undertaking from the Pi'ilani Promenade project.

The proposed Honua'ula Offsite Workforce Housing Project involves offsite improvements at Pi'ilani Highway, which is owned by the State of Hawai'i. The use of State lands is a trigger for compliance with environmental review requirements pursuant to Chapter 343, Hawai'i Revised Statutes (HRS).

This EIS preparation notice has been prepared for HPL's proposed workforce housing project pursuant to Chapter 343, HRS. An EIS will be submitted to the SLUC for processing in connection with their review of HPL's motion for order amending the Findings of Fact, Conclusions of Law, and Decision and Order dated February 10, 1995.

PROJECT OVERVIEW

I. PROJECT OVERVIEW

A. PROJECT LOCATION, CURRENT LAND USE, AND OWNERSHIP

Honua'ula Partners, LLC (HPL) is proposing the Honua'ula Offsite Workforce Housing Project on 13 acres of land at TMK (2)3-9-001:169, Kīhei, Maui, Hawai'i. The project site is located mauka of Pi'ilani Highway at the future East Ka'ono'ulu Street. See **Figure 1** and **Figure 2**.

The project site, which is currently vacant and undeveloped, is bordered by the Hashimoto farm and residential uses to the north; the future East Kaʻonoʻulu Street (currently vacant land) to the south; vacant ranch lands to the east; light industrial and commercial uses to the northwest; and the proposed Piʻilani Promenade Light Industrial, Business/Commercial, and Multi-Family Project owned by Sarofim Realty Advisors to the west.

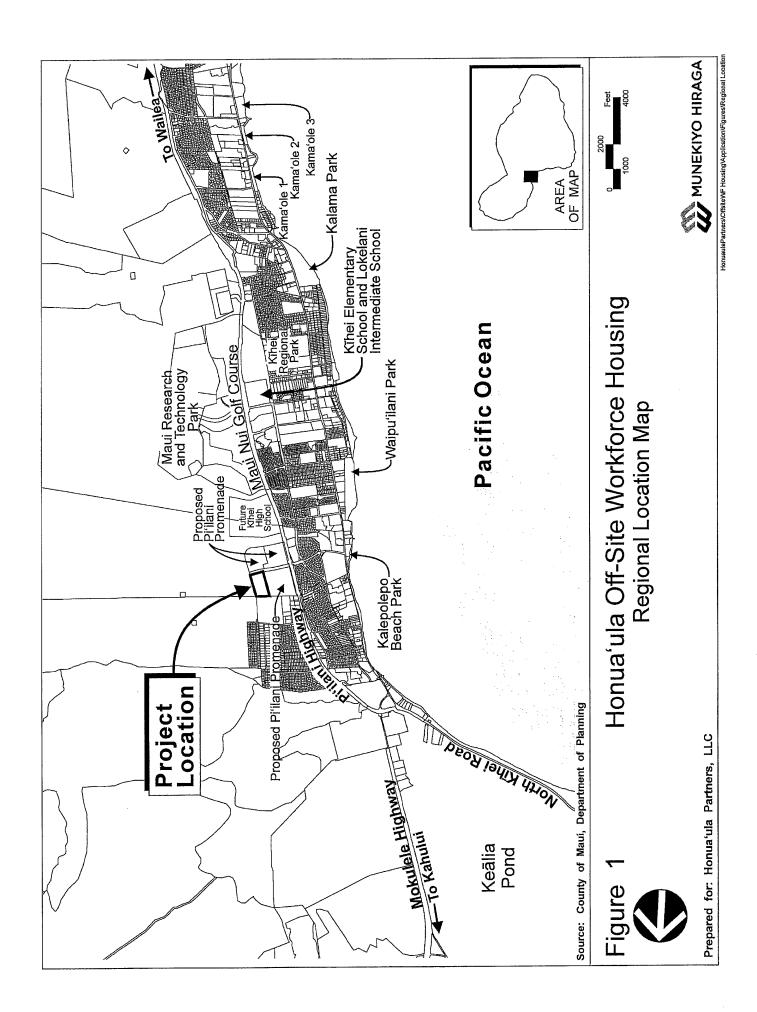
HPL owns the subject property, which is designated "Urban" by the State Land Use Commission (SLUC), "Light Industrial" by the Kihei-Makena Community Plan, and "M-1, Light Industrial" by Maui County zoning.

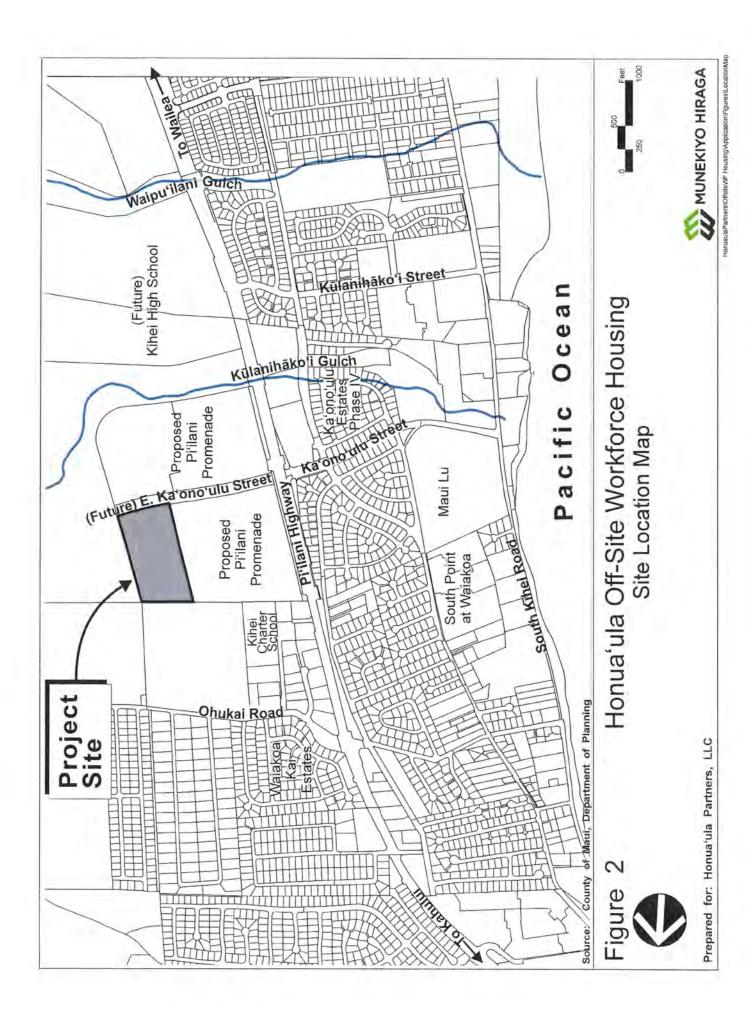
B. PROPOSED ACTION

HPL proposes 250 workforce housing units in six (6) multi-family residential buildings within the project site. See **Figure 3**. The project will consist of 125 rental housing units and 125 ownership units for sale with sale prices and rental rates to be determined through a housing agreement with the County of Maui. The housing agreement will specify the maximum sales prices and rental rates based on income groups ranging from "very low income" (households earning 50 percent or less than Area Median Income (AMI)) to "above-moderate income" (households earning 120 percent to 140 percent of AMI). Surface parking, 2.5 acres of park space, and related improvements are also proposed. Access to the site will be via the future East Ka'ono'ulu Street.

C. PROJECT BACKGROUND

The proposed project will be developed to satisfy a portion of the workforce housing requirement for the Honua'ula project in Wailea. The Honua'ula project, formerly known as Wailea 670, is a proposed master-planned community located mauka of Wailea Resort. The Maui County Council approved a Change in Zoning for the Honua'ula project subject to 30 conditions. Condition No. 5 of the Honua'ula Change in Zoning ordinance (Ordinance No. 3554) states:





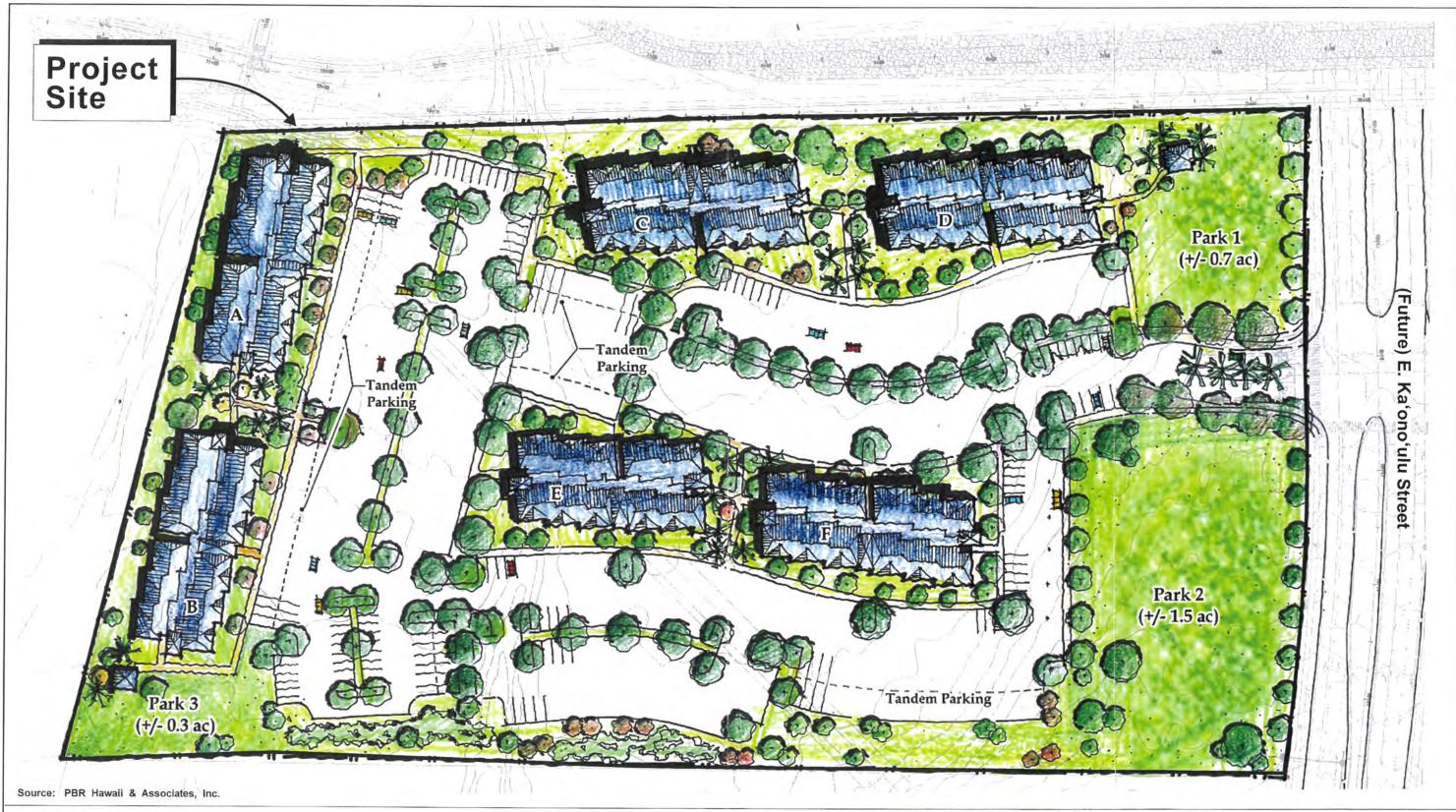


Figure 3



Honua'ula Off-Site Workforce Housing Conceptual Site Plan





That Honua'ula Partners, LLC, its successors and permitted assigns, shall provide workforce housing in accordance with Chapter 2.96, Maui County Code (the "Residential Workforce Housing Policy"); provided that, 250 of the required workforce housing units shall be located at the Kaonoulu Light Industrial Subdivision and completed prior to any market-rate unit, that 125 of those workforce housing units shall be ownership units, and that 125 of those units shall be rental units. In addition, construction of those workforce housing units shall be commenced within two years, provided all necessary permits can be obtained within that timeframe. Honua'ula Partners, LLC, its successors, and permitted assigns, shall provide a minimum two-acre park at the Kaonoulu Light Industrial Subdivision, which shall be credited toward the requirements of Section 18.16.320, Maui County Code, for that subdivision.

The proposed Honua'ula Offsite Workforce Housing project is being developed in accordance with the above-noted condition.

The project site is located within lands formerly identified as the Ka'ono'ulu Commercial and Light Industrial Project. The 88-acre Ka'ono'ulu Commercial and Light Industrial Project received a District Boundary Amendment (DBA) from "Agricultural" to "Urban" from the SLUC in 1995. The County of Maui subsequently approved a rezoning of the Ka'ono'ulu Commercial and Light Industrial Project from "Agricultural" to "M-1, Light Industrial" in 1998. The site is also designated "Light Industrial" in the Kihei-Makena Community Plan, adopted in 1998.

The former 88-acre Kaʻonoʻulu Commercial and Light Industrial Project area is currently owned by two (2) different entities. HPL owns the 13-acre subject property that is being proposed for workforce housing. The remaining 75 acres are owned by Sarofim Realty Advisors, who proposes the development of a Light Industrial, Business/Commercial, and Multi-Family project known as Piʻilani Promenade. A Final EIS for the Piʻilani Promenade project has been prepared and is pending a hearing with the SLUC.

With respect to the 13-acre site, which is the subject of this EIS Preparation Notice, HPL will be filing a Motion for Order Amending the Findings of Fact, Conclusions of Law, and Decision and Order dated February 10, 1995 for the Ka'ono'ulu Commercial and Light Industrial Project to allow for the workforce housing use and to establish the 13-acre workforce housing project as a separate undertaking from the Pi'ilani Promenade project.

D. PROJECT NEED

Affordable housing has been and continues to be an important need within the County of Maui and State of Hawai'i as a whole. Population and household growth has exceeded the development of new housing units, exacerbating the demand for housing and increasing housing costs. The *Hawai'i Housing Planning Study, 2016*, prepared for the County's Department of Housing and Human Concerns, projected a demand for 13,949

homes in Maui County between 2015 and 2025. The study estimates a demand for 1,906 multi-family rental units and 800 ownership units affordable to households earning 140 percent of area median income (AMI) or less by 2025 (SMS, 2016).

While residential construction has begun to increase in the years following the Great Recession, construction of new residential units continues to lag demand. Between 2010 and 2015, residential building permit issuance in the County has averaged 364 units per year. In comparison, building permit issuance between 2000 and 2007, prior to the Great Recession, averaged 1,218 units per year (U.S. Census Bureau, 2016).

The proposed Honua'ula Offsite Workforce Housing project will provide much needed affordable rental and ownership units for residents within the Kīhei-Mākena region. As previously noted, the project will satisfy a portion of the workforce housing requirement for the proposed Honua'ula project in accordance with Condition No. 5 of Ordinance No. 3554, which established the zoning for the project. A market study will be prepared for the project and discussed in the Draft EIS.

E. CHAPTER 343, HAWAI'I REVISED STATUTES REQUIREMENT

The proposed project will involve offsite improvements at Pi'ilani Highway, which is owned by the State of Hawai'i. The use of State or County lands is a trigger for compliance with environmental review requirements pursuant to Chapter 343, Hawai'i Revised Statutes (HRS). This EIS Preparation Notice has been prepared for HPL's proposed workforce housing project pursuant to Chapter 343, HRS. An EIS will be submitted to the SLUC for processing in connection with their review of HPL's Motion for Order Amending the Findings of Fact, Conclusions of Law, and Decision and Order dated February 10, 1995. The SLUC will serve as the accepting authority for the EIS. As previously noted, a Final EIS for the 75-acre Pi'ilani Promenade project, which is separate from HPL's Offsite Workforce Housing Project, has been prepared and is pending a hearing with the SLUC.

F. LAND USE ENTITLEMENTS REQUIRED

Implementation of the Honua'ula Offsite Workforce Housing Project will require the following land use entitlements:

1. <u>State Land Use Commission Motion to Amend the District Boundary</u> Amendment Decision and Order

The project site is located within the former Ka'ono'ulu Commercial and Light Industrial Project, which received a DBA from "Agricultural" to "Urban" in 1995. The 88 acres that comprised the former Ka'ono'ulu Commercial and Light Industrial Project is now owned by two (2) separate entities. HPL owns the 13-acre property proposed for the Honua'ula Offsite Workforce Housing Project, and

the other 75 acres are owned by Sarofim Realty Advisors, who propose development of the Pi'ilani Promenade Project.

With respect to the 13-acre site, which is the subject of this EIS Preparation Notice, HPL will be filing a Motion for Order Amending the Findings of Fact, Conclusions of Law, and Decision and Order dated February 10, 1995 for the Ka'ono'ulu Commercial and Light Industrial Project to allow for the workforce housing use and to establish the 13-acre workforce housing project as a separate undertaking from the Pi'ilani Promenade project.

2. Hawai'i Revised Statutes, Section 201H Affordable Housing Application

It is noted that HPL may opt to prepare and process a HRS, Section 201H Affordable Housing application for the project with the County of Maui.

G. IMPLEMENTATION TIME FRAME AND PROJECT COST

The development of the proposed Honua'ula Offsite Workforce Housing project will commence upon receipt of regulatory and construction permits and approvals. Construction timeline and cost information will be provided in the Draft EIS.

DESCRIPTION OF EXISTING ENVIRONMENT, POTENTIAL IMPACTS, AND PROPOSED MITIGATION MEASURES



II. DESCRIPTION OF EXISTING ENVIRONMENT, POTENTIAL IMPACTS, AND PROPOSED MITIGATION MEASURES

A. PHYSICAL ENVIRONMENT

1. Surrounding Land Uses

a. Existing Conditions

The project area is located in north Kīhei, mauka of Pi'ilani Highway, near the future Pi'ilani Promenade and Kihei High School. The project site is bordered by vacant land and residential uses to the north, light industrial and commercial uses to the northwest, the future Pi'ilani Promenade to the west and south, and agricultural lands are to the east. Refer to **Figure 2**. Various commercial, recreational, and civic facilities are located within two (2) miles of the project site.

The coastal area of Kīhei includes resort-oriented condominiums in proximity to South Kīhei Road, as well as commercial centers, such as Azeka Shopping Center, Pi'ilani Village Shopping Center, and Kīhei Kalama Village. The County of Maui's Kihei Community Center and Aquatic Center are located along Lipoa Street, across from Kihei Elementary School. Other recreational facilities found in the Kīhei area include Kalepolepo Park, Kalama Park, and Kama'ole Beach Parks I, II, and III.

b. Potential Impacts and Proposed Mitigation Measures

The proposed action will provide affordable workforce housing adjacent to existing and proposed residential, business/commercial, and recreational land uses. Impacts on surrounding land uses will be assessed as part of the environmental review process and will be discussed in the Draft Environmental Impact Statement (EIS) for the project.

2. Climate

a. Existing Conditions

Maui is characterized by a semi-tropical climate containing a multitude of individual microclimates. The mean annual temperature of the island at all locations near sea level is approximately 75 degrees Fahrenheit. A

high proportion of the rainfall that Maui receives each year falls on the northeast facing shores leaving the south and southwest coastal areas relatively dry. The project site is located within one of these drier areas of the southwest coast.

The Kīhei coast is generally sunny, warm, and dry throughout the entire year. Annual temperatures in the region average in the mid to high 70's. July through October are generally the warmer months of the year, while the cooler month is January. During the summer months, average temperatures in Kīhei are typically in the mid-70's. Rainfall distribution in the Kīhei-Mākena region was approximately 14.22 inches in 2015 (County of Maui, Office of Economic Development, 2015).

b. Potential Impacts and Proposed Mitigation Measures

From an environmental standpoint, replacement of vegetative surfaces with hardscapes associated with roadways, paved parking areas, and buildings may yield a tendency towards slightly increasing ambient air temperatures. To address this so-called "heat island" effect, proposed landscaping and landscaped buffers will be integrated into the proposed project. The landscape design and planting plan will provide shading to reduce the "heat island" effect. Additional information on proposed landscaping will be included in the Draft EIS.

3. Topography and Soil Characteristics

a. Existing Conditions

The project site is undeveloped former pasture land. The project site generally slopes in a westerly direction toward the ocean.

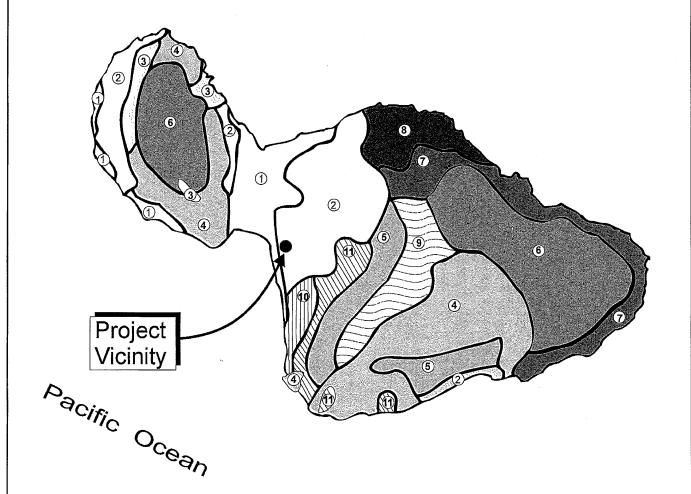
Underlying the project site are soils belonging to the Waiakoa-Keahua-Molokai association. See **Figure 4**. The <u>Soil Survey of the Islands of Kaua'i</u>, O'ahu, Maui, Moloka'i, and <u>Lāna'i</u>, State of Hawai'i characterizes the soils of the Waiakoa-Keahua-Molokai association as consisting of well-drained, moderately fine-textured soils on the low uplands of Central Maui. These soils are nearly level to moderately steep, which developed in material weathered from basic igneous rocks. The association makes up about 15 percent of the island.

According to the above-mentioned soil survey, the specific soil type underlying the project site is primarily Waiakoa Extremely Stony Silty Clay Loam (WID2). See **Figure 5**. Waiakoa Extremely Stony Silty Clay Loam (WID2) erodes and has stones covering 3 to 15 percent of the surface. In

LEGEND

- 1 Pulehu-Ewa-Jaucas association
- Waiakoa-Keahua-Molokai association
- (3) Honolua-Olelo association
- Rock land-Rough mountainous land association
- (5) Puu Pa-Kula-Pane association
 - (6) Hydrandepts-Tropaquods association

- (7) Hana-Makaalae-Kailua association
- 8 Pauwela-Haiku association
- 9 Laumaia-Kaipolpol-Olinda association
- Keawakapu-Makena association
- Kamaole-Oanapuka association



Map Source: USDA Soil Conservation Service

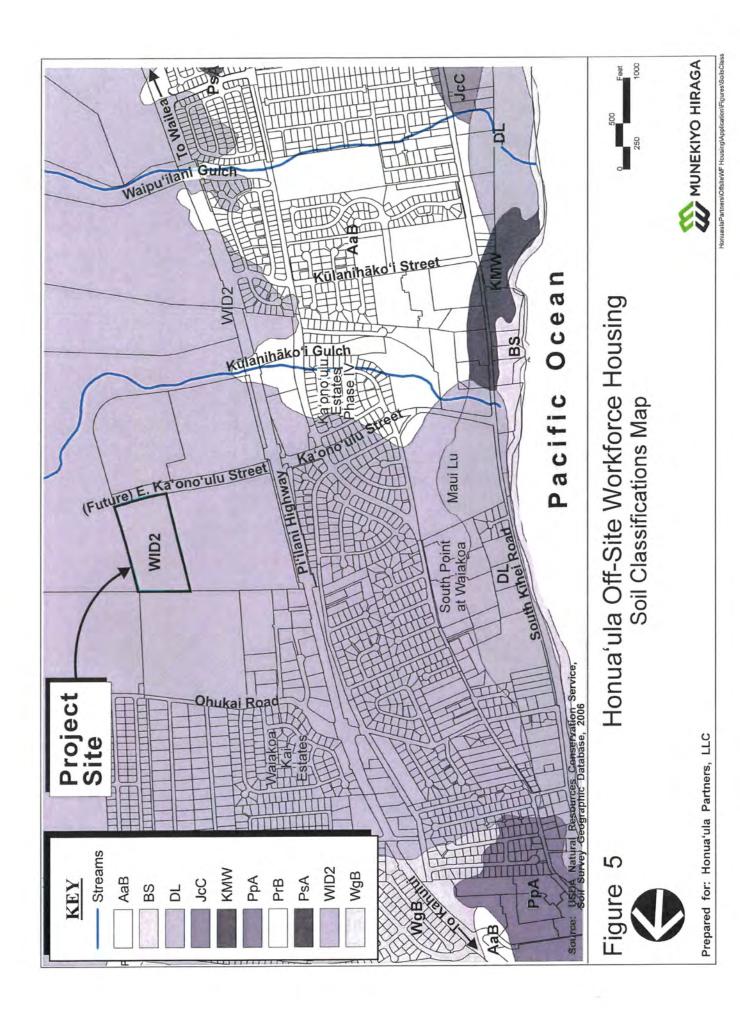
Figure 4

Honuaʻula Off-Site Workforce Housing Soil Association Map

NOT TO SCALE



MUNEKIYO HIRAGA



most areas, about 50 percent of the surface layer has been removed by erosion. Runoff is medium, and the erosion hazard is severe. In this area of Kīhei, including the project site, there are numerous outcrops of blue rock, which also comprise much of the underlying soil composition (USDA Soil Conservation Service, 1972).

b. Potential Impacts and Proposed Mitigation Measures

The Honua'ula Offsite Workforce Housing project will require grading for the proposed buildings and infrastructure. Generally, the proposed development is considered compatible with the property's underlying soil characteristics. A Preliminary Engineering Report (PER) will be prepared to assess potential impacts to topography and soil resulting from the proposed project. The PER will be included in the Draft EIS.

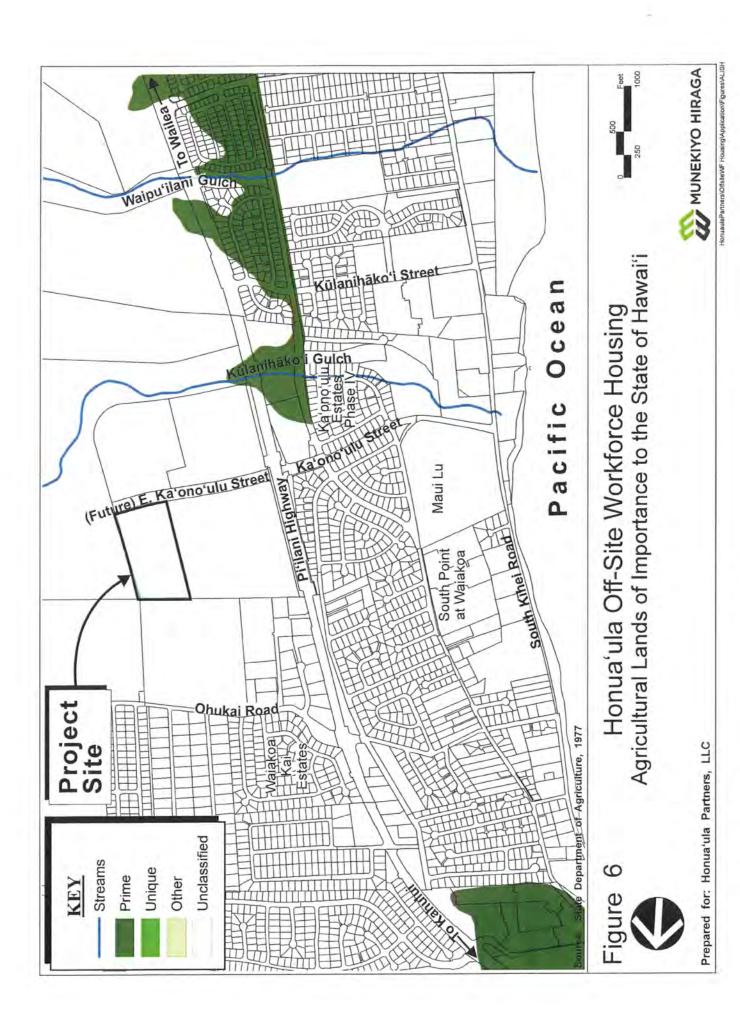
4. Agricultural Productivity Considerations

a. Existing Conditions

The project site does not have a recent history of agricultural use. It was formerly used as a dry, seasonal pasture.

In 1977, the State Department of Agriculture developed a classification system to identify Agricultural Lands of Importance to the State of Hawai'i The classification system is based primarily, though not exclusively, upon the soil characteristics of the lands. The three (3) classes of ALISH lands are: "Prime", "Unique", and "Other Important" agricultural land, with all remaining lands termed "Unclassified". When utilized with modern farming methods, "Prime" agricultural lands have a soil quality, growing season, and moisture supply necessary to produce sustained crop yields economically. "Unique" agricultural lands possess a combination of soil quality, growing season, and moisture supply to produce sustained high yields of a specific crop. "Other Important" agricultural lands include those that have not been rated as "Prime" or "Unique", but are of state-wide or local importance for agricultural use. As reflected by the ALISH map for the project region, the project site has been designated as "Unclassified" and is located in an area designated for urban use. See Figure 6.

The University of Hawai'i, Land Study Bureau (LSB) developed the Overall Productivity Rating, which classified soils according to five (5) levels, with "A" representing the class of highest productivity soils and "E" representing the lowest. These letters are followed by numbers which further classify the soil types by conveying such information as texture,



drainage, and stoniness. Inasmuch as the project site has been designated for urban uses in the past, it is not classified by the LSB system. See **Figure 7**.

b. <u>Potential Impacts and Proposed Mitigation Measures</u>

The project site, which is owned by HPL, is located within lands formerly identified as the Ka'ono'ulu Commercial and Light Industrial Project. The 88-acre Ka'ono'ulu Commercial and Light Industrial Project received a District Boundary Amendment (DBA) from "Agricultural" to "Urban" from the State Land Use Commission (SLUC) in 1995. The County of Maui subsequently approved a rezoning of the Ka'ono'ulu Commercial and Light Industrial Project from "Agricultural" to "M-1, Light Industrial" in 1998. The site is also designated "Light Industrial" in the Kihei-Makena Community Plan, adopted in 1998.

The project site was formerly a dry, seasonal pasture and does not have a recent history of agricultural use. Furthermore, given the property's designation for urban use, no adverse impacts to agriculture are anticipated as a result of the proposed project.

5. Flood and Tsunami Hazards

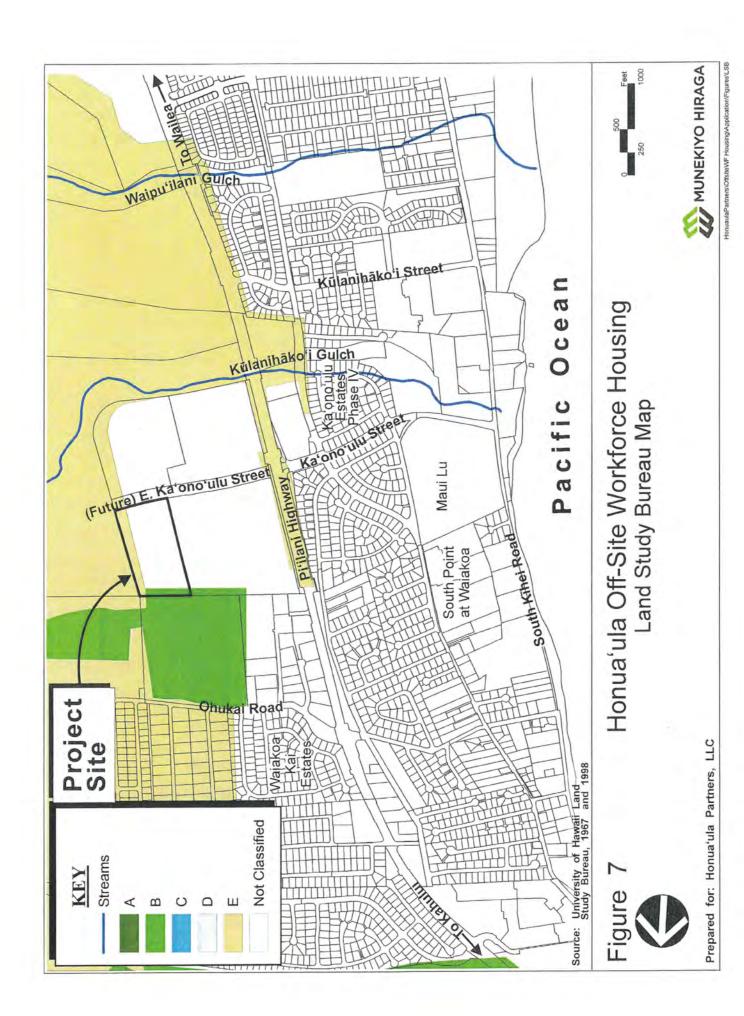
a. Existing Conditions

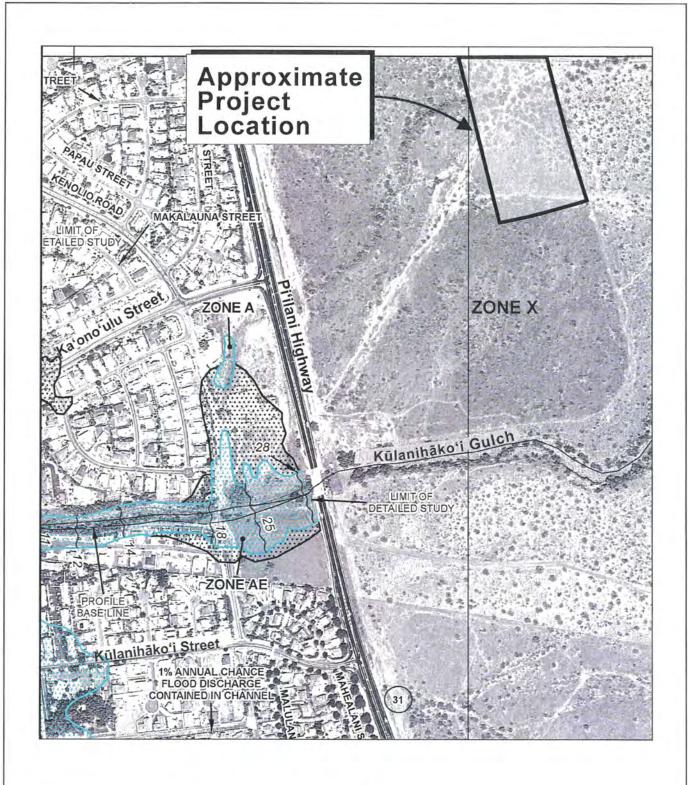
As indicated by the Flood Insurance Rate Map (FIRM) for the area, the subject property is located in Zone X, which denotes an area of minimal flooding and low flood risk. See **Figure 8.** Specifically, the Federal Emergency Management Agency (FEMA) describes areas in Flood Zone X as "Areas determined to be outside the 0.2% annual chance floodplain."

In addition, the project is situated outside of the tsunami evacuation zone and extreme tsunami evacuation zone as identified by the County of Maui. See **Figure 9**.

b. Potential Impacts and Proposed Mitigation Measures

There are no restrictions on development with regards to the Flood Zone X designation. Moreover, because the project is located outside of the tsunami inundation area, there are no threats to the surrounding areas from coastal wave action. No adverse impacts with regards to flood and tsunami hazards are anticipated as a result of this project.





Source: FEMA (November 4, 2015) Map Number 1500030586G

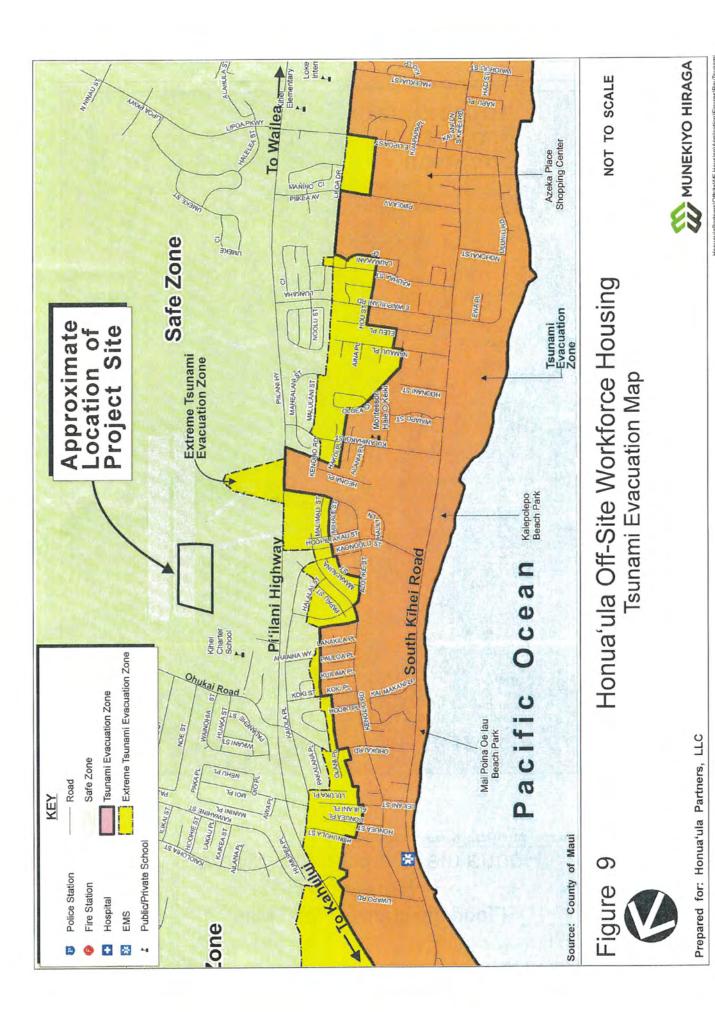
Figure 8

Honua'ula Off-Site Workforce
Housing
Flood Insurance Rate Map









6. Flora and Fauna

a. Existing Conditions

A botanical and fauna survey was completed in the vicinity of the project area for the adjacent Pi'ilani Promenade project by Robert W. Hobdy, environmental consultant, in July 2013. Approximately 80 acres of land were surveyed, including the proposed project area. The flora/fauna report noted that native plants have been eliminated by fires and grazing, and the site is now dominated by kiawe trees (*Prosopis pallida*) and buffelgrass (*Cenchrus ciliaris*), both non-native species. Of the ten (10) species of plants that were recorded during the survey of the 80 acres, only two (2) were native Hawaiian species – the ilima (*Sida fallax*) and uhaloa (*Waltheria indica*), both of which are widespread and commonly found in Hawai'i and other countries. No Federally listed endangered or threatened native plants or special habitats were observed during the survey (Chris Hart & Partners, Inc., 2014).

The flora/fauna survey report also noted that four (4) mammalian species, seven (7) non-native avian species, and six (6) insect species were found on the property. Nēnē geese were observed overflying the project area, but none were found within the project area. No evidence of native birds, the Hawaiian hoary bat, the Blackburn's sphinx moth, or their larvae was found during the survey, and none would be expected in this habitat (Chris Hart & Partners, Inc., 2014).

b. <u>Potential Impacts and Proposed Mitigation Measures</u>

Based on previous biological studies in the area, no rare, threatened, or endangered plant or animal species are anticipated to be within the project site. However, a site specific biological survey will be carried out as part of the environmental review process for the proposed Honua'ula Offsite Workforce Housing project. Results of the biological survey will be reported in the Draft EIS to ensure biological resources are not adversely impacted. Additionally, the U.S. Fish and Wildlife Service (USFWS) and the Department of Land and Natural Resources (DLNR) will be consulted during the preparation of the Draft EIS.

7. Streams, Wetlands, and Reservoirs

a. <u>Existing Conditions</u>

There are no streams, wetlands, or reservoirs in the vicinity of the project site. Kūlanihākoʻi Gulch is located approximately 1,000 feet south of the project area, and Waipuilani Gulch is located approximately 3,500 feet south of the project area. Refer to **Figure 2**.

b. Potential Impacts and Proposed Mitigation Measures

Inasmuch as there are no streams, wetlands, or reservoirs near the project site and given the project's distance from Kūlanihākoʻi Gulch and Waipuʻilani Gulch, the proposed project is not anticipated to have any impact on streams, wetlands, or reservoirs in the region.

8. Archaeological and Historical Resources

a. Existing Conditions

An Archaeological Inventory Survey (AIS) was completed for the 88-acre Ka'ono'ulu Commercial and Light Industrial project in 1994 by Xamanek Researches, LLC. The AIS, which included the project area, identified 21 sites, 20 of which received State Inventory of Historic Places (SIHP) numbers (SIHP 50-50-10-3727 through 3746) (Chris Hart & Partners, Inc., 2014). The sites consisted of eight (8) stone piles and cairns, two (2) enclosures, three (3) parallel alignments, a segment of a wall assumed to be for erosion containment, five (5) surface scatters, and a petroglyph on a boulder. The petroglyph, site number 50-50-10-3746, was recommended for removal and preservation and is now located in Kula. At that time, the State Historic Preservation Division (SHPD) concurred that no further archaeological work was needed for the remaining sites.

The AIS was updated for the adjacent Piʻilani Promenade project in 2014 to include new offsite improvements that were not previously surveyed, and to re-evaluate the mitigation treatment of the previously evaluated sites. The 2014 AIS noted that several of the sites had been destroyed and recommended data recovery for SIHP sites 3727, 3728, 3735, 3736, and 3741-3745, all of which are outside of the Honua'ula Offsite Workforce Housing site.

b. Potential Impacts and Proposed Mitigation Measures

An updated AIS will be prepared specifically for the Honua'ula Offsite Workforce Housing site. Results of the AIS will be reported in the Draft EIS to ensure that any impacts to archaeological and historical resources are appropriately mitigated.

9. Cultural Resources

a. <u>Existing Conditions</u>

The Kīhei area is one which transitioned from a historically agrarian and marine economy to a sugar cane plantation to tourism in the present day. In a cultural context, there were several fishponds in the area, most notably Waiohuli, Keōkea-kai, and Kalepolepo. These ponds were some of the most important royal fishponds on Maui and were reportedly rebuilt at least three (3) times over the centuries.

In addition, there were many trails in the area which extended from the coast to the mountains, which linked those regions for both economic and social reasons. For example, the Kalepolepo Trail began at the Kalepolepo fishpond and continued to the upland region of Waiohuli. Another significant trail, the King's Trail, extended along the coast from Lahaina in West Maui to Mākena in South Maui.

As early as 1828, sugar cane was introduced to Maui, and by 1899, the Kihei Plantation Company was growing sugar cane in the plains above Kīhei. The Kihei Plantation Company was later absorbed by the Hawaiian Commercial & Sugar Company (HC&S) in 1908. HC&S continued to cultivate in sugar what had been the Kihei Plantation Company fields into the 1960s, however, they ceased operations at the end of 2016.

More recently, a dependable water supply was brought to the area, which spurred the development of overseas investment in residential housing and vacation properties. Since that time, tourism has increased, and as a consequence, the South Maui area has recently been touted as one of the fastest growing regions in the state (Munekiyo & Hiraga, 2009).

b. Potential Impacts and Proposed Mitigation Measures

A Cultural Impact Assessment (CIA) will be completed for the Honua'ula Offsite Workforce Housing project to assess the impact of the proposed

action on cultural resources, practices, and beliefs. The findings of the CIA will be reported in the Draft EIS.

10. Air Quality

a. Existing Conditions

The air quality of the Kīhei area is considered good with existing airborne pollutants attributed primarily to automobile exhaust from the region's roadways. There are no point sources of airborne emissions in the immediate vicinity of the project site. Construction activities around Kīhei may also contribute to airborne emissions. However, these sources are intermittent, and prevailing trade winds quickly disperse any particulates which are generated.

b. Potential Impacts and Proposed Mitigation Measures

Air quality impacts attributed to the project will include dust generated by short-term construction-related activities. Site work such as clearing, grubbing and grading, and roadwork and construction will generate airborne particulates. Dust control measures, such as regular watering and sprinkling, will be implemented to minimize wind-blown emissions.

Graded and grubbed areas will be vegetated to mitigate long-term dustgenerated impacts.

An Air Quality Study will be prepared for the proposed project. Study results will be reported in the Draft EIS.

11. Noise Quality

a. Existing Conditions

There are no significant noise generators in the vicinity of the project site. The predominant background noise source in the area is attributed to vehicle traffic along Pi'ilani Highway and other roadways.

b. Existing Conditions

Ambient noise conditions will be temporarily impacted by construction activities. Heavy construction equipment, such as bulldozers, front-end loaders, and material-transport vehicles, and possible localized blasting and removal of blue rock, if needed, will likely be the dominant sources of noise during the construction period.

A noise impact analysis study will be completed for the proposed project. Results from the study will be reported in the Draft EIS.

12. Water Quality

a. Existing Conditions

The project site is located over half-a-mile away from the shoreline. Hawai'i Administrative Rules (HAR), Chapter 11-54, Water Quality Standards establishes two (2) classes of marine waters and objectives for each class. The marine classification for the nearshore waters in the Kīhei region makai of the proposed project is "A". The objective for Class "A" waters is to be used for recreational purposes and aesthetic enjoyment. Any other use compatible with the protection and propagation of fish, shellfish, and wildlife and with recreation are permitted.

b. <u>Potential Impacts and Proposed Mitigation Measures</u>

A water quality study will be completed for the proposed project. The findings from the study will be reported in the Draft EIS.

13. Scenic and Open Space Resources

a. Existing Conditions

The slopes of Haleakalā are visible from the project site, with the West Maui Mountains visible to the northwest. The project site is not located within a scenic view corridor, nor is it a part of a valuable open space resource area.

b. Potential Impacts and Proposed Mitigation Measures

Site plans, building elevations, and renderings for the project will be provided as part of the assessment on potential impacts to scenic and open space resources. These renderings will be included and discussed in the Draft EIS.

B. SOCIO-ECONOMIC ENVIRONMENT

1. Population and Demography

a. **Existing Conditions**

The population of the County of Maui has exhibited relatively strong growth over the past decade. The resident population for the County of

Maui in 2014 was estimated to be 158,814, up from the 2010 estimate of 150,711 (U.S. Census Bureau, 2014 and 2010).

The subject property is located along the southwestern coast of Maui, within the Kihei-Makena Community Plan region. Just as the County's population has grown, the resident population of the Kīhei-Mākena region has also increased. The estimated population of the region in 2014 was 28,846, up from the 2010 estimate of 27,300 (U.S. Census Bureau, 2014 and 2010).

b. Potential Impacts and Proposed Mitigation Measures

The KThei area currently contains a mix of housing types, both multi- and single-family, as well as commercial areas. According to population projections, population is anticipated to increase with or without the proposed project. The Department of Business, Economic Development, and Tourism (DBEDT) Population and Economic Projections for the State of Hawai'i estimates that the population of Maui County is anticipated to grow to 284,700 by 2040 (DBEDT, 2012). The proposed Honua'ula Offsite Workforce Housing Project is anticipated to meet the growing need for affordable housing in the KThei-Mākena region. Potential impacts and mitigation measures with respect to population parameters will be discussed in the Draft EIS.

2. Economy

a. <u>Existing Conditions</u>

The Maui economy is heavily dependent upon the visitor industry. The dependency on the visitor industry is especially evident in the Kīhei-Mākena region, which is one of the State's major resort destination areas. The foundation for the region's visitor strength lies in the availability of vacation rentals, world-class resorts, and recreational facilities throughout Kīhei, Wailea, and Mākena. Service support for the visitor industry is also found in Kīhei, where numerous retail commercial centers are located.

The State's overall economic growth rate remains strong. The State unemployment rate (not seasonally adjusted) was 2.6 percent in April 2017, lower than the national average of 4.1 percent. Maui Island is exhibiting similar trends with an unemployment rate for the same period of 2.9 percent (State Department of Labor and Industrial Relations, May 2017).

b. Potential Impacts and Proposed Mitigation Measures

On a short-term basis, the project will support construction and construction-related employment. From a long-term perspective, the proposed Honua'ula Offsite Workforce Housing Project will provide additional housing for families near existing residential, commercial, and recreational areas, potentially benefitting the local economy.

A market study, economic impact analysis, and public cost benefit assessment will be presented in the Draft EIS for the proposed project.

3. Housing

a. Existing Conditions

The project site is located in Kīhei, the commercial and residential center of South Maui. A range of housing types and conditions exists within these areas, from owner-occupied homes to luxury condominiums for part-time residents.

Over the past five (5) years, the demand for housing on Maui has intensified due to steady population growth, high employment, and historically low interest rates. This strong demand, coupled with limited supply, has lead to rising housing prices. The *Hawai'i Housing Planning Study, 2016*, prepared for the County's Department of Housing and Human Concerns, estimated a need for 13,949 homes in Maui County between 2015 and 2025. With respect to affordable rental housing specifically, the study estimates an effective demand for 1,906 multifamily rental units and 800 ownership units affordable to households earning 140 percent of area median income (AMI) or less by 2025 (SMS, 2016).

b. Potential Impacts and Proposed Mitigation Measures

The proposed project will be developed to satisfy a portion of the workforce housing requirement for the proposed Honu'aula project in Wailea. The project will provide 250 new housing units, 125 for rental and 125 for ownership, at an attractive and central location in Kīhei. In light of the current and projected housing market conditions, the proposed project will provide a community benefit by offering needed affordable housing options near existing jobs and services.

A market study, economic impact analysis, and public cost benefit assessment will be prepared for the proposed project. The findings of the study will be presented in the Draft EIS.

C. PUBLIC SERVICES

1. Police and Fire Protection

a. Existing Conditions

The headquarters of the County of Maui Police Department (MPD) are located at its Wailuku Station. The department consists of several patrol, support, administrative, and investigative divisions that service the Hāna, Lāna'i, Lāhainā, Moloka'i, and Wailuku regions. The MPD's Kīhei Patrol, which covers the Kīhei-Mākena region, currently operates from the Kihei Police Department located at 221 Pi'ilani Highway, approximately three (3) miles south of the project site.

Fire prevention, protection, and suppression services are provided by the County of Maui, Department of Fire and Public Safety. The Kīhei Fire Station, which services the Kīhei-Mākena region, is situated on South Kīhei Road near Kalama Park, approximately 2.5 miles south of the project site. The Wailea Fire Station is located about 4.5 miles to the south of the project site. The Wailea Station services the area from Kama'ole Beach Park II to Mākena and provides back-up support for the Kīhei Station when required.

b. Potential Impacts and Proposed Mitigation Measures

The project is within the existing service area limits for emergency medical, police, and fire services.

The Maui Police Department and Department of Fire and Public Safety will be consulted during the preparation of the Draft EIS for this project. Their assessment of the proposed project on existing and future police and fire protection services will be included in the Draft EIS.

2. <u>Medical Facilities</u>

a. <u>Existing Conditions</u>

The only major medical facility on the island is Maui Memorial Medical Center, which is located in Wailuku about ten (10) miles from the project area. The 214-bed facility provides general, acute, and emergency care services.

Clinics and offices are situated throughout the Kīhei and Wailea areas, however these offer medical services on a lesser scale. Such clinics

include Kihei Clinic and Wailea Medical Services, Kihei Pediatric Clinic, Kihei Physicians, the Kihei-Wailea Medical Center, Maui Medical Group, and Kaiser Permanente.

b. Potential Impacts and Proposed Mitigation Measures

The proposed project is not anticipated to affect the service capabilities of emergency medical or general care operations. As noted above, medical services are available in the Kīhei-Wailea region. Maui Memorial Medical Center will be consulted during the preparation of the Draft EIS for the project.

3. Educational Facilities

a. Existing Conditions

The State Department of Education (DOE) operates three (3) schools in the Kīhei area. Kihei Elementary School and Kamali'i Elementary School are located approximately 1.5 and 3.3 miles from the project area, respectively, each covers grades K to 5. Lokelani Intermediate School located approximately 1.5 miles away covers grades 6 to 8. Maui High School, which is located in Kahului, is the designated public high school grades 9 to 12, for Kīhei residents. Kihei Charter School, which has elementary, middle, school, and high school students is located approximately 0.2 of a mile from the project site.

The approximate actual and projected enrollments, as well as the capacity of the area schools, are shown in **Table 1** below.

Table 1. Actual and Projected Enrollments at Department of Education Schools

	Actual Enrollment	Projected Enrollment			
School	SY 16-17	SY 17-18	SY 18-19	SY 19-20	SY20-21
Maui High School	1,941	1,977	2,013	2,020	1,997
Lokelani Intermediate School	584	574	548	523	478
Kamali'i Elementary School	452	447	437	416	418
Kihei Elementary School	786	791	779	762	784
Kihei Charter School*	526				

Source: Department of Education, 2016.

*Note: DOE does not provide enrollment projections for Kihei Charter School, as it is not a DOE

facility.

Additionally, Kīhei High School is proposed south of the project site, however, the DOE does not have an opening date for the school at this time. University of Hawai'i Maui College (UHMC), which is located in Kahului, is a branch of the University of Hawai'i system. UHMC is the primary higher education institution serving Maui.

b. Potential Impacts and Proposed Mitigation Measures

The DOE will be consulted as part of the Draft EIS preparation process, and impacts to educational facilities will be discussed in the Draft EIS.

4. Recreational Facilities

a. Existing Conditions

Diverse recreational opportunities are available in the Kihei-Makena Community Plan region. Shoreline activities, such as fishing, surfing, jogging, camping, picnicking, snorkeling, swimming, and windsurfing, are by far the predominant forms of recreation in the area. Numerous public park facilities exist within a relatively short driving distance of the project site, including Kalepolepo, Waipuʻilani, Kalama, and Kamaʻole I/II/III Beach Parks. Additionally, recreational resources available in Kīhei, Wailea, and Mākena include the Kihei Community Center and Aquatic Center, as well as resort-affiliated, world-class golf courses and tennis centers.

b. Potential Impacts and Proposed Mitigation Measures

In addition to being in close proximity to the recreational facilities noted above, the proposed project includes 2.5 acres of park and open space areas. Refer to **Figure 3**. Potential impacts to recreational resources will be discussed in the Draft EIS.

5. Solid Waste Disposal

a. Existing Conditions

Single-family residential solid waste collection service is provided by the County of Maui. Residential solid waste collected by County crews is disposed of at the County's Central Maui Landfill facility, located 4.0 miles southeast of the Kahului Airport. In addition to County-collected refuse, the Central Maui Landfill also accepts commercial waste from private collection companies.

b. <u>Potential Impacts and Proposed Mitigation Measures</u>

The proposed Honua'ula Offsite Workforce Housing project will be served by a private solid waste collection service. In 2009, the County of Maui's Integrated Solid Waste Management Plan (ISWMP) estimated the existing Central Maui Landfill (Phases IV-VI) had remaining capacity of 780,000 tons. According to the ISWMP, the existing landfill has adequate capacity to accommodate residential and commercial waste needs through the year 2026. In the ISWMP, the Department of Environmental Management (DEM) anticipates that additional land can be acquired for future capacity at the landfill (Gershman, Brickner, & Bratton, Inc., 2009). DEM currently estimates that the Central Maui Landfill will accommodate waste collection needs through 2032 based on current plans for expansion.

Solid waste that may be generated during construction will be disposed at an approved facility. When the project is implemented and operational, solid waste resulting from the project site will be collected and disposed of by a private collection company for disposal at the Central Maui Landfill.

Impacts to solid waste services and facilities will be discussed in the Draft EIS.

D. INFRASTRUCTURE

1. Roadways

a. Existing Conditions

Access to the Kīhei region is provided via North Kīhei Road from the West Maui and the Wailuku areas and via Mokulele Highway from the Kahului and the Upcountry areas. The following is a summary of major roadways in the vicinity of the project site.

(1) Pi'ilani Highway

Pi'ilani Highway is a four-lane, State arterial highway providing access between Kīhei and Wailea and runs parallel to and mauka of South Kīhei Road. Pi'ilani Highway is the main arterial road in the area. In addition to paved shoulders, Pi'ilani Highway has traffic signals and right- and left-turn lanes at major intersections. Pi'ilani Highway narrows to two (2) lanes near the Maui Meadows subdivision and ends at Wailea Ike Drive in the Wailea Resort.

(2) Mokulele Highway

Mokulele Highway connects Kīhei and Kahului. Mokulele Highway is a four-lane State arterial highway which was recently widened and realigned. The Pu'unene Sugar Mill, the Maui Humane Society, the Army National Guard, and various industrial facilities are located along Mokulele Highway.

(3) North Kihei Road

This two-lane, undivided State roadway runs along the coastline and adjacent to the Kealia Pond National Wildlife Refuge. Near the southern end of this roadway, there are a number of residential complexes at Sugar Beach. In the north, North Kīhei Road intersects Honoapi'ilani Highway at Ma'alaea. North Kīhei Road is used primarily by vehicles traveling between West Maui, Central Maui, and Kīhei.

(4) South Kīhei Road

This two-lane, undivided County collector roadway runs in a north-south direction along the Kīhei coastline from its intersection with North Kīhei Road to Okolani Drive in Wailea. At its northern terminus, South Kīhei Road turns into North Kīhei Road, which continues north to Maʻalaea. South Kīhei Road provides local access to residences, visitor accommodations, shopping areas, and parks along the Kīhei coastline.

(5) Ka'ono'ulu Street

Ka'ono'ulu Street is a two-lane, undivided, east-west County collector roadway between Pi'ilani Highway and South Kīhei Road in the vicinity of Kalepolepo Beach Park. Ka'ono'ulu Street provides access to a number of single-family subdivisions as well as the Jewish Congregation of Maui temple.

b. <u>Potential Impacts and Proposed Mitigation Measures</u>

Access to the proposed Honua'ula Offsite Workforce Housing Project will be via the future East Ka'ono'ulu Street. During construction, temporary construction access may also be via Ohukai Road.

A Traffic Impact Analysis Report (TIAR) for the build out of the proposed development will be carried out as part of the environmental review process to assess the traffic impacts of the proposed project. The findings of the TIAR will be reported in the Draft EIS.

2. Water System

a. Existing Conditions

The Kīhei area is served by the Department of Water Supply (DWS) of the County of Maui. Water source for the South Kīhei area is the 'Īao and Waihe'e Aquifers. Water is pumped from wells in Waiehu and Waihe'e to a concrete water storage tank in upper Waiehu and conveyed to South Maui by a Central Maui Water System transmission main. The DWS drinking water system does not currently extend to the project area.

b. Potential Impacts and Proposed Mitigation Measures

As mentioned previously, a PER will be prepared for the proposed project as part of the environmental review process. The PER will assess water needs for the proposed development. The findings of the PER will be reported in the Draft EIS.

3. Wastewater System

a. Existing Conditions

The Kīhei region is currently serviced by a wastewater collection, treatment, and disposal system owned and operated by the DEM Wastewater Reclamation Division (WWRD). The system consists of a number of pump stations and force mains which convey wastewater through the County's transmission lines. The Kihei Wastewater Reclamation Facility (KWRF) processes the wastewater for the South Maui area.

b. Potential Impacts and Proposed Mitigation Measures

The PER will assess wastewater impacts of the proposed project. The findings of the PER will be reported in the Draft EIS.

4. Drainage System

a. Existing Conditions

The underlying project area consists of undeveloped land formerly used for seasonal pasture. There is no existing drainage infrastructure at the project site.

b. Potential Impacts and Proposed Mitigation Measures

The PER will assess impacts to stormwater runoff and drainage needs resulting from the proposed project. The findings of the PER will be reported in the Draft EIS.

5. <u>Electrical, Telephone, and Cable Television</u>

a. Existing Conditions

Electrical service is provided to the area by Maui Electric Company, Ltd. (MECO). Hawaiian Telcom and Oceanic Time Warner Cable provide telephone and cable television service in the area. There are currently no structures or electrical facilities in the project area, as the proposed project site is undeveloped.

b. Potential Impacts and Proposed Mitigation Measures

Coordination with MECO, Hawaiian Telcom, and Oceanic Time Warner Cable will be undertaken during the engineering plans preparation phase of work to ensure that all electrical, telephone, and cable television service requirements for the proposed development are adequately addressed.

The project area will require electrical, telephone, and cable television (CATV) services. The PER will assess utility needs of the proposed development. The findings of the PER will be reported in the Draft EIS.

E. <u>CUMULATIVE AND SECONDARY IMPACTS</u>

Cumulative impacts are defined as the impact on the environment which results from the incremental impact of an action when added to other past, present, and reasonably foreseeable future actions, regardless of what agency or person undertakes such other actions. Consultation will be undertaken with agencies, County, State, and Federal regarding the capacity of existing infrastructure, systems, and resources to ensure that demand generated by the proposed project can be accommodated. A TIAR is being prepared for the proposed project with consideration of other known projects in the area.

Cumulative impacts from other past, present, and reasonably foreseeable projects will be included in the Draft EIS for the project.

Secondary impacts are those which have the potential to occur later in time or farther in distance, but are still reasonably foreseeable. They can be viewed as actions of others that are taken because of the presence of the project. Various State, County, and Federal agencies will be consulted during the preparation of the Draft EIS, and any other foreseeable secondary impacts will be assessed and discussed in the Draft EIS.

The proposed Honua'ula Offsite Workforce Housing Project is required in accordance with Condition No. 5 of the Change in Zoning approval (Ordinance No. 3554) for the Honua'ula project, located on (2)2-1-008:056 and 071. However, the Honua'ula Offsite Workforce Housing Project is more than five (5) miles from the Honua'ula project, therefore, environmental and infrastructure impacts and mitigation for the proposed offsite affordable housing project are assessed separately. An Environmental Impact Statement (EIS) which assessed potential environmental impacts resulting from that project was completed for the Honua'ula project in 2012. This EIS preparation notice is being prepared as part of the Chapter 343, HRS process to assess the impacts of the Honua'ula Offsite Workforce Housing Project, as it was not assessed in the 2012 EIS.

Furthermore, the Honua'ula Offsite Workforce Housing project is separate and distinct from the adjacent Pi'ilani Promenade project proposed by Sarofim Realty Advisors. In addition to the projects having separate owners and developers, the projects are on separate development timeframes. A Final EIS for the Pi'ilani Promenade project has been prepared and is pending a hearing with the SLUC.

The assessment of cumulative and secondary impacts presented in the Draft EIS will consider the proposed Offsite Workforce Housing Project together with other reasonably foreseeable projects, including the aforementioned Honua'ula and Pi'ilani Promenade projects.

RELATIONSHIP TO LAND USE PLANS, POLICIES, AND CONTROLS



III. RELATIONSHIP TO LAND USE PLANS, POLICIES, AND CONTROLS

A. STATE LAND USE DISTRICT

Chapter 205, Hawai'i Revised Statutes (HRS), relating to the Land Use Commission, establishes four (4) major land use districts in which all lands in the state are placed. These districts are designated as "Urban", "Rural", "Agricultural", and "Conservation". The project site is located within the "Urban" district. See **Figure 10**. The proposed residential use is permitted within the "Urban" designation.

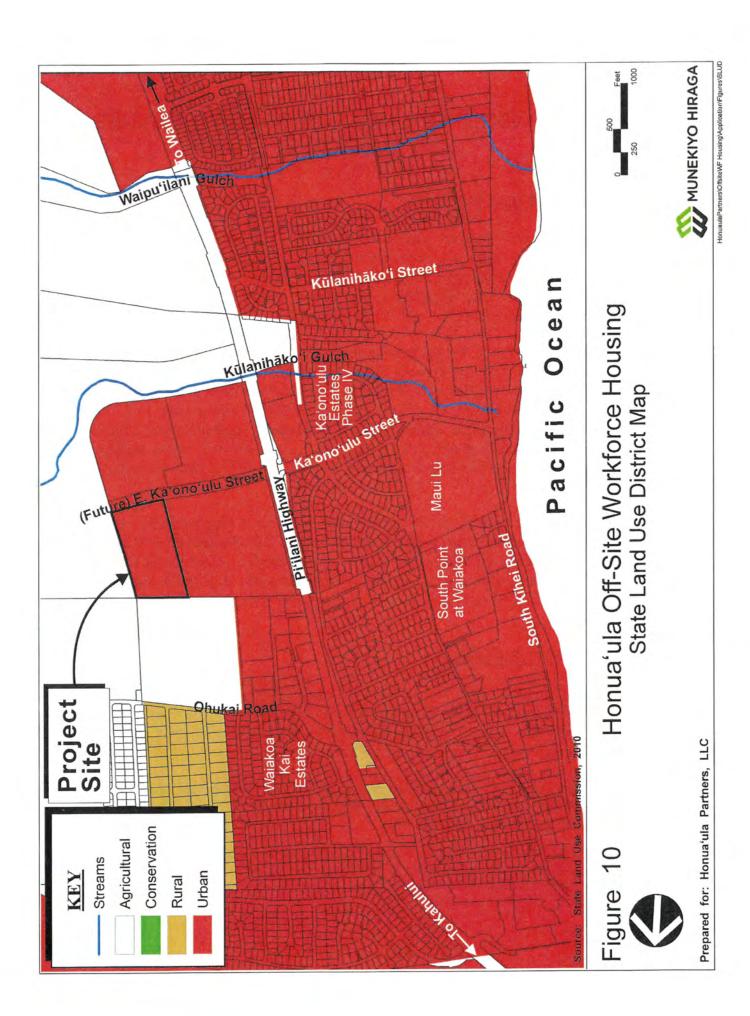
As mentioned previously, the project site is located within the former Ka'ono'ulu Light Industrial Project, which received a State Land Use Commission (SLUC) District Boundary Amendment (DBA) from "Agricultural" to "Urban" in 1995. The 88 acres that comprised the former Ka'ono'ulu Light Industrial Project is now owned by two (2) separate entities. Honua'ula Partners, LLC (HPL) owns the 13-acre property proposed for the Honua'ula Offsite Workforce Housing Project, and the other 75 acres are owned by Sarofim Realty Advisors, who proposes development of the Pi'ilani Promenade Project.

With respect to the 13-acre site, which is the subject of this EIS Preparation Notice, HPL will be filing a Motion for Order Amending the Findings of Fact, Conclusions of Law, and Decision and Order dated February 10, 1995 for the Ka'ono'ulu Commercial and Light Industrial Project to allow for the workforce housing use and to establish the 13-acre workforce housing project as a separate undertaking from the Pi'ilani Promenade project.

B. <u>HAWAI'I STATE PLAN</u>

Chapter 226, HRS, also known as the Hawai'i State Plan, is a long-range comprehensive plan which serves as a guide for the future long-term development of the State. The Hawai'i State Plan identifies objectives, policies, and priorities, as well as implementation mechanism that support the following goals:

- A strong, viable economy characterized by stability, diversity, and growth that enables the fulfillment of the needs and expectations of Hawaii's present and future generations.
- A desired physical environment, characterized by beauty, cleanliness, quiet, stable natural systems, and uniqueness, that enhances the mental and physical well-being of the people.



 Physical, social, and economic well-being, for individuals and families in Hawaii, that nourishes a sense of community responsibility, of caring, and of participation in community life.

An assessment of the project's conformance to the Hawai'i State Plan will be included in the Draft Environmental Impact Statement (EIS).

C. MAUI COUNTY GENERAL PLAN

As indicated by the Maui County Charter, the purpose of the general plan shall be to:

... indicate desired population and physical development patterns for each island and region within the county; shall address the unique problems and needs of each island and region; shall explain opportunities and the social, economic, and environmental consequences related to potential developments; and shall set forth the desired sequence, patterns and characteristics of future developments. The general plan shall identify objectives to be achieved, and priorities, policies, and implementing actions to be pursued with respect to population density; land use maps, land use regulations, transportation systems, public and community facility locations, water and sewage systems, visitor destinations, urban design, and other matters related to development.

Chapter 2.80B of the Maui County Code, relating to the General Plan and Community Plans, implements the foregoing Charter provision through enabling legislation which calls for a Countywide Policy Plan (CPP) and a Maui Island Plan (MIP). The CPP was adopted as Ordinance No. 3732 on March 24, 2010, while the MIP, which delineates areas for future urban and rural growth as part of a Directed Growth Strategy, was adopted as Ordinance No. 4004 on December 28, 2012.

1. Countywide Policy Plan

With regard to the CPP, Section 2.80B.030 of the Maui County Code states the following.

Code states the following.

The countywide policy plan shall provide broad policies and objectives which portray the desired direction of the County's future. The countywide policy plan shall include:

- 1. A vision for the County;
- 2. A statement of core themes or principles for the County; and
- 3. A list of countywide objectives and policies for population, land use, the environment, the economy, and housing.

Core principles set forth in the CPP are listed as follows:

- 1. Excellence in the stewardship of the natural environment and cultural resources;
- 2. Compassion for and understanding of others;
- Respect for diversity;
- 4. Engagement and empowerment of Maui County residents;
- 5. Honor for all cultural traditions and histories;
- 6. Consideration of the contributions of past generations as well as the needs of future generations;
- 7. Commitment to self-sufficiency;
- 8. Wisdom and balance in decision making;
- 9. Thoughtful, island appropriate innovation; and
- 10. Nurturance of the health and well-being of our families and our communities.

Congruent with these core principles, the CPP identifies goals objectives, policies and implementing actions for pertinent functional planning categories, which are identified as follows:

- 1. Natural environment
- 2. Local cultures and traditions
- Education
- 4. Social and healthcare services
- 5. Housing opportunities for residents
- 6. Local economy
- 7. Parks and public facilities
- 8. Transportation options
- 9. Physical infrastructure
- 10. Sustainable land use and growth management
- 11. Good governance

2. Maui Island Plan

The MIP is applicable to the island of Maui only, providing more specific policy-based strategies for population, land use, transportation, public and community facilities, water and sewage systems, visitor destinations, urban design, and other matters related to future growth.

As provided by Chapter 2.80B, the MIP shall include the following components:

- 1. An island-wide land use strategy, including a managed and directed growth plan
- A water element assessing supply, demand and quality parameters
- 3. A nearshore ecosystem element assessing nearshore waters and requirements for preservation and restoration
- 4. An implementation program which addresses the County's 20year capital improvement requirements, financial program for implementation, and action implementation schedule
- 5. Milestone indicators designed to measure implementation progress of the MIP

It is noted that Ordinance No. 4004 does not address the component relating to the implementation program. Chapter 2.80B of the Maui County Code, relating to the General Plan, was amended via Ordinance No. 3979 on October 5, 2012, to provide that the implementation program component be adopted no later than one (1) year following the effective date of Ordinance No. 4004. The implementation program component of the MIP was adopted by Ordinance No. 4126 on May 29, 2014.

The MIP addresses a number of planning categories with detailed policy analysis and recommendations which are framed in terms of goals, objectives, policies and implementing actions. These planning categories address the following areas:

- 1. Population
- 2. Heritage Resources
- 3. Natural Hazards
- 4. Economic Development
- 5. Housing
- 6. Infrastructure and Public Facilities
- 7. Land Use

An essential element of the MIP is its directed growth plan which provides a management framework for future growth in a manner that is fiscally, environmentally, and culturally prudent. Among the directed growth management tools developed through the MIP process are maps delineating urban growth boundaries (UGB), small town boundaries (STB), and rural growth boundaries (RGB). The respective boundaries identify areas appropriate for future growth

and their corresponding intent with respect to development character. HPL proposes the development of a workforce housing community within the UGB of the MIP.

An assessment of the project's conformance to the CPP and the MIP will be included in the Draft EIS.

D. KIHEI-MAKENA COMMUNITY PLAN

There are nine (9) community plan regions within Maui County. From a General Plan implementation standpoint, each region is governed by a community plan which sets forth desired land use patterns, as well as goals, objectives, policies, and implementing actions for a number of functional areas including infrastructure-related parameters.

The proposed Honua'ula Offsite Workforce Housing project is located within the Kihei-Makena Community Plan region. The existing land use designation for the project area under the Community Plan are set forth in the Kihei-Makena Community Plan Land Use Map. The lands underlying the subject property are designated as "Light Industrial" by the Kihei-Makena Community Plan. See **Figure 11**. The proposed project is consistent with the current Light Industrial designation as apartment uses are permitted in the light industrial zoning districts.

An assessment of the project's conformance with the Kihei-Makena Community Plan will be included in the Draft EIS.

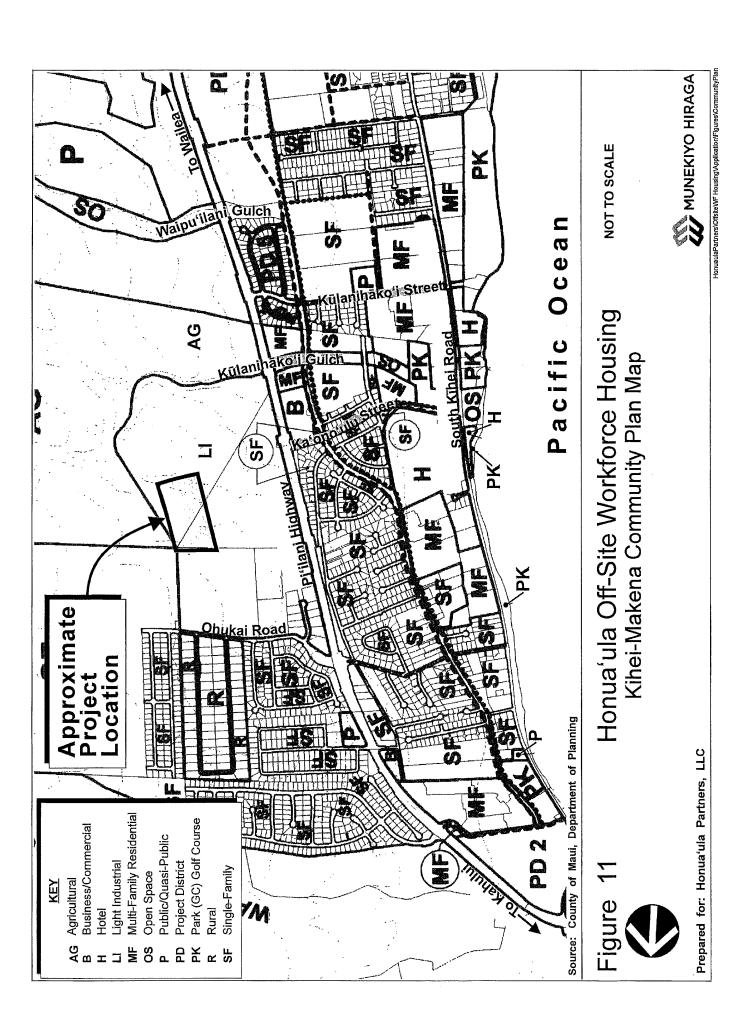
E. COUNTY ZONING

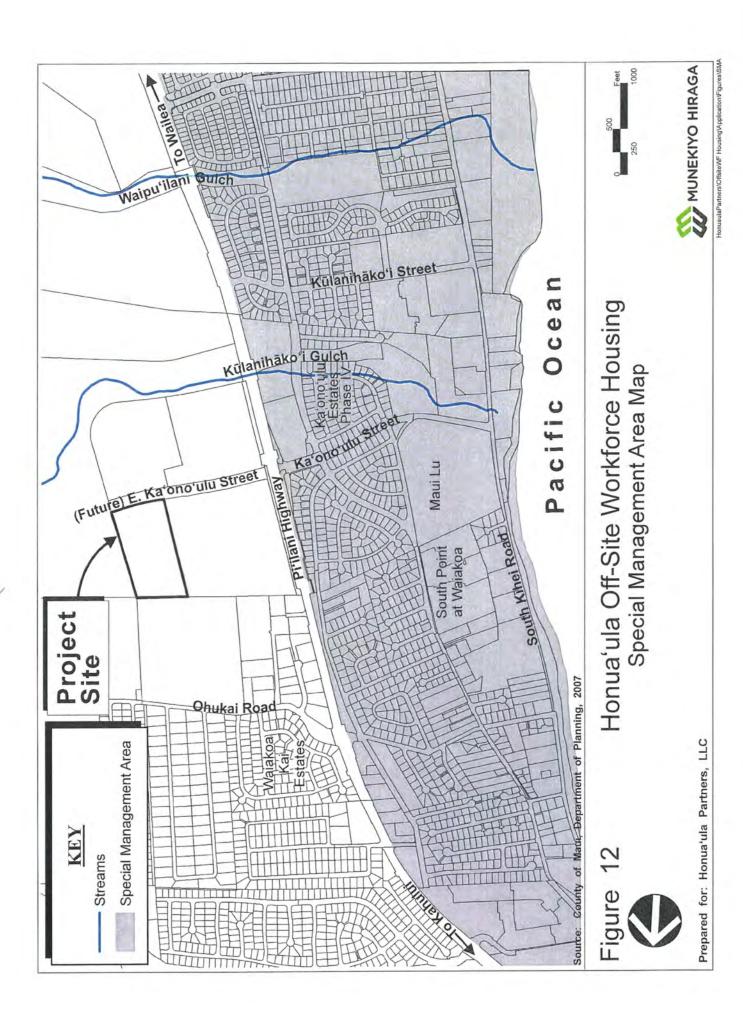
The project site is currently zoned "M-1, Light Industrial" by the County of Maui. The proposed Honua'ula Offsite Workforce Housing Project is consistent with the "M-1, Light Industrial" zoning designation, as apartment houses are a principal permitted use within the "M-1, Light Industrial" district.

F. HAWAI'I COASTAL ZONE MANAGEMENT PROGRAM – OBJECTIVES AND ENFORCEABLE POLICIES

The Hawai'i Coastal Zone Management Program, as formalized in Chapter 205A, HRS, establishes objectives and policies for the preservation, protection, and restoration of natural resources of Hawai'i's coastal zone. The project site is located outside of the County of Maui's Special Management Area (SMA). See **Figure 12**.

Nevertheless, this section addresses the project's relationship to applicable coastal zone management considerations pursuant to Chapter 205A, HRS.





1. Recreational Resources

Objective:

Provide coastal recreational opportunities accessible to the public.

Policies:

- a. Improve coordination and funding of coastal recreational planning and management; and
- b. Provide adequate, accessible, and diverse recreational opportunities in the coastal zone management area by:
 - i. Protecting coastal resources uniquely suited for recreational activities that cannot be provided in other areas;
 - ii. Requiring replacement of coastal resources having significant recreational value including, but not limited to, surfing sites, fishponds, and sand beaches, when such resources will be unavoidably damaged by development; or requiring reasonable monetary compensation to the State for recreation when replacement is not feasible or desirable;
 - iii. Providing and managing adequate public access, consistent with conservation of natural resources, to and along shorelines with recreational value:
 - iv. Providing an adequate supply of shoreline parks and other recreational facilities suitable for public recreation;
 - v. Ensuring public recreational uses of county, state, and federally owned or controlled shoreline lands and waters having recreational value consistent with public safety standards and conservation of natural resources;
 - vi. Adopting water quality standards and regulating point and nonpoint sources of pollution to protect, and where feasible, restore the recreational value of coastal waters;
 - Developing new shoreline recreational opportunities, where appropriate, such as artificial lagoons, artificial beaches, and artificial reefs for surfing and fishing; and
 - vii. Encouraging reasonable dedication of shoreline areas with recreational value for public use as part of discretionary approvals or permits by the land use commission, board of land and natural resources, and county authorities; and

crediting such dedication against the requirements of section 46-6.

Response: The proposed project includes 2.5 acres of park and open space and is not anticipated to generate significant additional demands on existing public parks and beach areas. However, impacts to coastal resources, including access to the shoreline, will be assessed in the Draft EIS.

2. <u>Historic Resources</u>

Objective:

Protect, preserve, and, where desirable, restore those natural and manmade historic and prehistoric resources in the coastal zone management area that are significant in Hawaiian and American history and culture.

Policies:

- a. Identify and analyze significant archaeological resources;
- b. Maximize information retention through preservation of remains and artifacts or salvage operations; and
- c. Support state goals for protection, restoration, interpretation, and display of historic resources.

<u>Response</u>: An Archaeological Inventory Survey (AIS) will be completed for the proposed project. Results of the AIS will be reported in the Draft EIS to ensure that any impacts to historic resources are appropriately mitigated.

3. Scenic and Open Space Resources

Objective:

Protect, preserve, and, where desirable, restore, or improve the quality of coastal scenic and open space resources.

Policies:

- a. Identify valued scenic resources in the coastal zone management area;
- b. Ensure that new developments are compatible with their visual environment by designing and locating such developments to minimize the alteration of natural landforms and existing public views to and along the shoreline;

- c. Preserve, maintain, and, where desirable, improve and restore shoreline open space and scenic resources; and
- d. Encourage those developments that are not coastal dependent to locate in inland areas.

Response: The project area is located inland, mauka of Pi'ilani Highway. Furthermore, the project is setback from Pi'ilani Highway and will include landscaping and buffered areas to ensure that adverse impacts to scenic and open space resources are properly mitigated. Site plans, building elevations, and renderings will be provided as part of the environmental review process and included in the Draft EIS.

4. Coastal Ecosystems

Objective:

Protect valuable coastal ecosystems, including reefs, from disruption and minimize adverse impacts on all coastal ecosystems.

Policies:

- a. Exercise an overall conservation ethic, and practice stewardship in the protection, use, and development of marine and coastal resources;
- b. Improve the technical basis for natural resource management;
- c. Preserve valuable coastal ecosystems, including reefs, of significant biological or economic importance;
- d. Minimize disruption or degradation of coastal water ecosystems by effective regulation of stream diversions, channelization, and similar land and water uses, recognizing competing water needs; and
- e. Promote water quantity and quality planning and management practices that reflect the tolerance of fresh water and marine ecosystems and maintain and enhance water quality through the development and implementation of point and nonpoint source water pollution control measures.

Response: The underlying project area is approximately 0.75 mile from the shoreline and consists of undeveloped land formerly used for seasonal pasture. There is no existing drainage infrastructure at the project site. A water quality study will be conducted for the proposed project as part of the environmental review process and will be included in the Draft EIS.

5. Economic Uses

Objective:

Provide public or private facilities and improvements important to the State's economy in suitable locations.

Policies:

- a. Concentrate coastal dependent development in appropriate areas;
- b. Ensure that coastal dependent development such as harbors and ports, and coastal related development such as visitor industry facilities and energy generating facilities, are located, designed, and constructed to minimize adverse social, visual, and environmental impacts in the coastal zone management area; and
- c. Direct the location and expansion of coastal dependent developments to areas presently designated and used for such developments and permit reasonable long-term growth at such areas, and permit coastal dependent development outside of presently designated areas when:
 - i. Use of presently designated locations is not feasible;
 - ii. Adverse environmental effects are minimized; and
 - iii. The development is important to the State's economy.

Response: The proposed project is not located at or near the coastline. Based on the regional need for affordable housing, the proposed action at the location identified is considered appropriate. The proposed action is not anticipated to contradict the objective and policies for economic use listed above, however, potential impacts will be discussed in the Draft EIS.

6. Coastal Hazards

Objective:

Reduce hazard to life and property from tsunami, storm waves, stream flooding, erosion, subsidence, and pollution.

Policies:

a. Develop and communicate adequate information about storm wave, tsunami, flood, erosion, subsidence, and point and nonpoint source pollution hazards;

- b. Control development in areas subject to storm wave, tsunami, flood, erosion, hurricane, wind, subsidence, and point and nonpoint source pollution hazards;
- c. Ensure that developments comply with requirements of the Federal Flood Insurance Program; and
- d. Prevent coastal flooding from inland projects.

Response: The project is located outside of the tsunami evacuation and extreme tsunami evacuation zones and within Flood Zone X, an area of minimal flooding. There are no restrictions on development in Flood Zone X with regards to the Federal Flood Insurance Program.

A Preliminary Engineering Report (PER) will be prepared for the proposed project as part of the environmental review process to assess impacts to stormwater runoff and drainage needs resulting from the proposed project. The findings of the PER will be reported in the Draft EIS.

7. Managing Development

Objective:

Improve the development review process, communication, and public participation in the management of coastal resources and hazards.

Policies:

- a. Use, implement, and enforce existing law effectively to the maximum extent possible in managing present and future coastal zone development;
- b. Facilitate timely processing of applications for development permits and resolve overlapping or conflicting permit requirements; and
- c. Communicate the potential short and long-term impacts of proposed significant coastal developments early in their life cycle and in terms understandable to the public to facilitate public participation in the planning and review process.

Response: The proposed project shall be reviewed and processed, pursuant to the Chapter 343, HRS environmental assessment review process. All aspects of development will be conducted in accordance with applicable Federal, State, and County standards. Should HPL opt to file a Section 201H, HRS Affordable Housing Application, opportunities for review of the proposed action are also offered through the land use entitlements review process for the Section 201H, HRS application.

8. Public Participation

Objective:

Stimulate public awareness, education, and participation in coastal management.

Policies:

- a. Promote public involvement in coastal zone management processes;
- b. Disseminate information on coastal management issues by means of educational materials, published reports, staff contact, and public workshops for persons and organizations concerned with coastal issues, developments, and government activities; and
- c. Organize workshops, policy dialogues, and site-specific mediations to respond to coastal issues and conflicts.

Response: The EIS document will be processed in accordance with Chapter 343, HRS, and opportunity for comment by agencies and the public will be provided. A Motion for Order Amending the Findings of Fact, Conclusions of Law, and Decision and Order, dated February 10, 1995, for the Ka'ono'ulu Commercial and Light Industrial Project will also be processed with the SLUC and will provide opportunities for public review. As noted above, the Section 201H, HRS application process may also provide public dialogue and input needs, should HPL choose to file a Section 201H, HRS application.

9. Beach Protection

Objective:

Protect beaches for public use and recreation.

Policies:

- a. Locate new structures inland from the shoreline setback to conserve open space, minimize interference with natural shoreline processes, and minimize loss of improvements due to erosion;
- b. Prohibit construction of private erosion-protection structures seaward of the shoreline, except when they result in improved aesthetic and engineering solutions to erosion at the sites and do not interfere with existing recreational and waterline activities; and
- c. Minimize the construction of public erosion-protection structures seaward of the shoreline.

Response: The proposed project is situated inland, away from the shoreline and no adverse effect on beach processes is anticipated. Appropriate Best Management Practices (BMPs) will be implemented to mitigate storm water runoff associated with the project and to ensure that downstream and adjoining properties will not be adversely affected.

10. Marine Resources

Objective:

Promote the protection, use, and development of marine and coastal resources to assure their sustainability.

Policies:

- a. Ensure that the use and development of marine and coastal resources are ecologically and environmentally sound and economically beneficial;
- b. Coordinate the management of marine and coastal resources and activities to improve effectiveness and efficiency;
- Assert and articulate the interests of the State as a partner with federal agencies in the sound management of ocean resources within the United States exclusive economic zone;
- d. Promote research, study, and understanding of ocean processes, marine life, and other ocean resources in order to acquire and inventory information necessary to understand how ocean development activities relate to and impact upon ocean and coastal resources; and
- e. Encourage research and development of new, innovative technologies for exploring, using, or protecting marine and coastal resources.

Response: The proposed project is situated mauka of Pi'ilani Highway, approximately 0.75 mile from the shoreline. A water quality study will be prepared for the project and discussed in the Draft EIS.

G. SECTION 201H, HRS APPLICATION

As mentioned previously, HPL may opt to file and process a Section 201H application to facilitate the implementation of the workforce housing project. Specifically, Section 201H-38 of the Hawai'i Revised Statutes allows for the granting of exemptions from "statutes, ordinances, charter provisions, and rules of any government agency relating to planning, zoning, construction standards for subdivisions, development and improvement of land, and the construction of dwelling units thereon...".

The project will provide 125 affordable ownership units and 125 affordable rental units on approximately 13 acres, applicable exemptions from Maui County Code (MCC) may be requested to enable the implementation of the design concept. Additionally, exemptions from other code provisions may be identified to enable the cost effective delivery of the affordable units. Should HPL file a Section 201H, HRS application, these exemptions will be identified in the application submitted to the Maui County Council. The Council is the approving authority for the application and may approve the project with modifications.

ALTERNATIVES TO THE PROPOSED ACTION

IV. ALTERNATIVES TO THE PROPOSED ACTION

The applicant has looked at a variety of options in accommodating the proposed project.

A. PREFERRED ALTERNATIVE

The proposed development plan, outlined in Chapter I, Project Overview, represents the preferred alternative. The preferred alternative that will be assessed in the Environmental Impact Statement (EIS) involves the development of 250 workforce housing units that will be made available for rent and purchase. The proposed project will be developed to satisfy a portion of the workforce housing requirement for the proposed Honua'ula project in Wailea and will meet the growing workforce housing need in the community.

B. NO ACTION ALTERNATIVE

The proposed project will provide much needed workforce housing units in the Kihei-Makena Community Plan area. The no action alternative would involve the continued underutilization of lands identified for "Urban" use and would not meet the growing housing needs for the local population.

As noted in Chapter I, the proposed workforce housing project is being developed to satisfy a condition of zoning for the Honua'ula project in Wailea. Condition No. 5 of the Honua'ula Change in Zoning ordinance (Ordinance No. 3554) states:

That Honua'ula Partners, LLC, its successors and permitted assigns, shall provide workforce housing in accordance with Chapter 2.96, Maui County Code (the "Residential Workforce Housing Policy"); provided that, 250 of the required workforce housing units shall be located at the Kaonoulu Light Industrial Subdivision and completed prior to any marketrate unit, that 125 of those workforce housing units shall be ownership units, and that 125 of those units shall be rental units. In addition, construction of those workforce housing units shall be commenced within two years, provided all necessary permits can be obtained within that timeframe. Honua'ula Partners, LLC, its successors, and permitted assigns, shall provide a minimum two-acre park at the Kaonoulu Light Industrial Subdivision, which shall be credited toward the requirements of Section 18.16.320, Maui County Code, for that subdivision.

The no action alternative would not be consistent with Condition No. 5 of the Honua'ula Change in Zoning ordinance.

C. DEFERRED ACTION ALTERNATIVE

Similar to the no action alternative, the deferred action alternative does not address the workforce housing needs of Maui County, which will continue to be exacerbated if new housing supply is not provided in response to the growing population. In addition, Condition No. 5 of the Honua'ula Change in Zoning ordinance states that the 250 workforce housing units must be commenced within two (2) years, provided all necessary permits can be obtained within that timeframe, and the units shall be completed prior to any market-rate unit. Although the development of the 250 workforce housing units has not commenced within two (2) years of the Change in Zoning due to land use and entitlement requirements associated with the project, Honua'ula Partners, LLC (HPL) has been and continues to work in good faith to address the requirements so that construction of the workforce housing units can commence. For these reasons, the deferred action alternative is not deemed appropriate.

D. HONUA'ULA ONSITE WORKFORCE HOUSING ALTERNATIVE

As previously noted, the proposed project is being developed in compliance with Condition No. 5 of the Project District 9 ordinance for Honua'ula, which requires that 250 units of Honua'ula's total workforce housing requirement (per Chapter 2.96, Maui County Code) be located at the Ka'ono'ulu Commercial and Light Industrial Subdivision. A lawsuit was filed by the Sierra Club and Maui Unite ("plaintiffs") against the County of Maui in October 2012, challenging the acceptance of the Honua'ula Project Environmental Impact Statement (EIS). One of the terms negotiated between the plaintiffs and HPL provides for HPL to seek that Condition No. 5 be amended to allow the option of developing the 250 offsite workforce housing units onsite at the Honua'ula project area instead of offsite at Ka'ono'ulu. As such, HPL has filed a Change of Zoning application with the County of Maui to amend Condition No. 5. Should an amendment to Condition No. 5 be approved by the Maui County Council, HPL would have the option to develop the 250 units of offsite workforce housing onsite within Honua'ula, instead of at Ka'ono'ulu. Under this alternative scenario, the total number of housing units within the Honua'ula Project would not change from the 1,150 that was originally proposed and assessed in the project's EIS.

E. ALTERNATE SITE PLAN ALTERNATIVE

A discussion of site plan alternatives will be included in the Draft EIS.

SUMMARY OF ADVERSE ENVIRONMENTAL IMPACTS THAT CANNOT BE AVOIDED



V. SUMMARY OF ADVERSE ENVIRONMENTAL IMPACTS THAT CANNOT BE AVOIDED

The development of the project will result in certain unavoidable construction-related environmental impacts as outlined in Chapter II.

In the short term, construction associated with the proposed development will generate noise impacts. These impacts will be limited to the immediate vicinity of the project construction areas. Sound attenuating construction equipment will be used, where practicable, to mitigate noise impacts caused by construction.

Unavoidable air quality impacts will also arise as a result of construction activities, such as the generation of dust and other airborne pollutants. Appropriate Best Management Practices (BMPs) will be incorporated in the construction process to mitigate adverse impacts, including frequent watering of exposed surfaces and regular maintenance of construction equipment to minimize construction-related impacts.

The project will commit approximately 13 acres of vacant land designated for "Urban" use to workforce housing. The proposed project will provide housing for 250 households in an area that is previously undeveloped. Infrastructure improvements required to service the proposed project will be provided by the Applicant, Honua'ula Partners, LLC (HPL). Development of the proposed project will also involve a commitment of energy, labor, fiscal, and material resources. The use of these resources, when weighed against the expected benefit to be derived from the project, is not considered an adverse commitment.

Further assessment of the proposed project will be carried out during preparation of the Draft Environmental Impact Statement (EIS), which will identify other potential impacts and mitigation measures. The Draft EIS will include a Preliminary Engineering Report, Traffic Impact Analysis Report, Archaeological Inventory Survey, Cultural Impact Assessment, Flora and Fauna Survey, Market Study, Economic Impact Analysis and Public Cost Benefit Assessment, and Noise, Air, and Water Quality Studies. The Draft EIS will include the results of these studies and potential mitigation measures to minimize any adverse impacts resulting from the project.

Addressing land use development issues and market needs from a comprehensive planning perspective provides an efficient and effective means of developing and implementing infrastructure and related service components. It is in this context that commitment of resources will be considered in the Draft EIS.

SIGNIFICANCE CRITERIA ASSESSMENT

VI

VI. SIGNIFICANCE CRITERIA ASSESSMENT

The "Significance Criteria", Section 12 of the Administrative Rules, Title 11, Chapter 200, "Environmental Impact Statement Rules", were reviewed and analyzed to determine whether the proposed project will have significant impacts to the environment. The following criteria and preliminary analysis are provided.

1. <u>Involves an irrevocable commitment to loss or destruction of any natural or cultural resource.</u>

The proposed project commits approximately 13 acres of vacant land designated for "Urban" use to workforce housing. An Archaeological Inventory Survey, Cultural Impact Assessment, and Flora and Fauna Survey will be conducted for the proposed project. The project's potential impact to natural and cultural resources and proposed mitigation measures will be assessed in the Draft Environmental Impact Statement (EIS).

2. Curtails the range of beneficial uses of the environment.

As mentioned previously, the proposed project commits approximately 13 acres of vacant land designated for "Urban" use to workforce housing in close proximity to existing and planned residential, business/commercial, and recreational areas. The proposed action is anticipated to improve rather than curtail the range of beneficial uses for the environment.

Technical studies will be prepared and included in the Draft EIS and will contribute to the environmental review process. The findings will be used to assess potential impacts and appropriate mitigation measures to ensure the project does not curtail the beneficial uses of the environment.

3. Conflicts with the state's long-term environmental policies or goals and guidelines as expressed in Chapter 344, HRS, and any revisions thereof and amendments thereto, court decisions, or executive orders.

The proposed project does not conflict with the State's Environmental Policy and Guidelines as set forth in Chapter 344, Hawai'i Revised Statutes (HRS).

4. <u>Substantially affects the economic welfare, social welfare, and cultural practices of the community or State.</u>

On a short-term basis, the project will support construction and constructionrelated employment and have a beneficial impact on the local economy during the period of construction. From a long-term perspective, the project will provide much needed workforce housing for renters and future homeowners. Impacts to economic welfare, social welfare, and cultural practices will be discussed in the Draft EIS.

5. Substantially affects public health.

The proposed project is not anticipated to adversely impact public health. However, noise, air, and water quality studies will be conducted and the findings will be included in the Draft EIS.

6. <u>Involves substantial secondary impacts, such as population changes or effects on public facilities.</u>

The proposed project will provide housing for 250 households in an area that was previously undeveloped. However, it is anticipated that the housing units will meet the documented shortage of housing for the existing population and for the projected population growth that would occur with or without the project. Technical studies addressing public infrastructure and services will be included in the Draft EIS. Coordination with State and County agencies, as well as utility service providers, will be undertaken to address services and facilities requirements for the project.

7. <u>Involves a substantial degradation of environmental quality.</u>

A full range of technical studies will be carried out in preparation of the Draft EIS to address appropriate mitigation measures to minimize environmental degradation. For example, preliminary engineering work will investigate drainage options to mitigate adverse impacts to downstream and adjacent properties. Archaeological, cultural, and biological investigations will be conducted to ensure that valued historical, cultural, and biological resources are appropriately treated. The results of the studies will be included in the Draft EIS.

8. <u>Is individually limited but cumulatively has considerable effect upon the environment or involves a commitment for larger actions.</u>

From a future land use perspective, the project area is within the Urban Growth Boundary (UGB) of the Maui Island Plan (MIP). Development of the project area will continue the transition of the area to urban type uses as envisioned by the MIP. An assessment of cumulative impacts will be included in the Draft EIS.

9. <u>Substantially affects a rare, threatened, or endangered species, or its</u> habitat.

The project area was previously dry, seasonal pasture land. A biological survey will be conducted on the project area, and the findings and appropriate minimization measures will be included in the Draft EIS.

10. Detrimentally affects air or water quality or ambient noise levels.

Construction activities will result in short-term noise, air, and water quality impacts. Appropriate noise, air, and water quality control measures, such as maintenance of construction equipment, dust control measures (regular watering and sprinkling, and installation of dust fences), and erosion control measures, will be implemented during grading and construction activities. The applicant will comply with applicable State and County regulations, such as the Department of Health (DOH), Hawai'i Administrative Rules (HAR), Title 11, Chapter 46, "Community Noise Control". Appropriate permits, if required, such as a noise permit and National Pollutant Discharge Elimination Permit System (NPDES), will be obtained prior to the initiation of any construction activity.

Potential impacts on noise, air, and water quality resulting from the project will be assessed in technical studies as part of the environmental review process. The results of these studies will be presented in the Draft EIS document.

11. Affects or is likely to suffer damage by being located in an environmentally sensitive area such as a flood plain, tsunami zone, beach, erosion-prone area, geologically hazardous land, estuary, fresh water, or coastal waters.

Assessments of impacts and potential mitigation measures relating to environmentally sensitive areas will be carried out and the results incorporated into the Draft EIS document.

12. <u>Substantially affects scenic vistas and viewplanes identified in county or state plans or studies.</u>

The project area is setback from Pi'ilani Highway in close proximity to other residential, commercial, and light industrial uses. Site plans, building elevations, and renderings will be provided as part of the environmental review process and, impacts to scenic and open space resources and scenic view corridors resulting from the project will be evaluated in greater detail and discussed in the Draft EIS.

13. Requires substantial energy consumption.

The proposed project will involve the commitment of fuel for construction equipment, vehicles, and machinery during construction and maintenance activities. Coordination with Maui Electric Company (MECO) will be undertaken during the electrical plans preparation phase of work to ensure all operational parameters are addressed for the proposed project. Sustainability and energy efficency measures will be discussed in the Draft EIS.

Given the potential impacts that need to be addressed in greater detail, it has been determined that an EIS is warranted, pursuant to Chapter 343, HRS, and Chapter 200 of Title 11, DOH, HAR, EIS Rules.				

LIST OF PERMITS AND APPROVALS



VII. LIST OF PERMITS AND APPROVALS

The following list of permits and approvals are anticipated to be needed for project implementation.

1. State of Hawai'i

- a. Acceptance of Environmental Impact Statement
- b. Motion for Order Amending Findings of Fact, Conclusions of Law, and Decision and Order dated February 10, 1995 for Ka'ono'ulu Commercial and Light Industrial Project
- c. NPDES Permit
- d. Noise Permit, as applicable.

2. County of Maui

- a. Hawai'i Revised Statutes (HRS), Section 201H
- b. Construction Permits

OTHER ELEMENTS TO BE ADDRESSED IN THE DRAFT ENVIRONMENTAL IMPACT STATEMENT



VIII. OTHER ELEMENTS TO BE ADDRESSED IN THE DRAFT ENVIRONMENTAL IMPACT STATEMENT

The Draft Environmental Impact Statement (EIS) will address all elements of Section 11-200-16 of the Hawai'i Administrative Rules (HAR) relating to Environmental Impact Statements. This section of the rules provides that the Draft EIS address specific content requirements for EIS documents. Information to complete these sections of the EIS document will be gathered through the technical studies to be completed, as well as, comments received in the review of the Environmental Assessment/Environmental Impact Statement Preparation Notice (EA/EISPN) document. In this regard, the Draft EIS will also address the following topics:

- Relationship Between the Short-term Uses of the Environment and the Maintenance and Enhancement of Long-term Productivity
- Unresolved Issues

STUDIES ANTICIPATED TO BE INCLUDED IN THE DRAFT ENVIRONMENTAL IMPACT STATEMENT



IX. STUDIES ANTICIPATED TO BE INCLUDED IN THE DRAFT ENVIRONMENTAL IMPACT STATEMENT

The forthcoming EIS will include several technical reports and studies prepared by experts in specific fields. The reports and studies will include:

•	Air Quality Impact Analysis Study	B.D. Neal & Associates
•	Archaeological Inventory Survey	Xamanek Researches, LLC
•	Cultural Impact Assessment	Scientific Consultant Services, Inc.
•	Flora and Fauna Survey	Robert Hobdy
•	Market Study, Economic Impact Analysis and Public Cost Benefit Assessment	CBRE
•	Noise Impacts Analysis Study	Yoichi Ebisu and Associates
•	Preliminary Engineering Report	Warren S. Unemori Engineering, Inc.
•	Traffic Impact Analysis Report	SSFM International, Inc.
•	Water Quality Study	Marine Research Consultants

AGENCIES TO BE CONSULTED DURING THE PREPARATION OF THE DRAFT ENVIRONMENTAL IMPACT STATEMENT



X. AGENCIES TO BE CONSULTED DURING THE PREPARATION OF THE DRAFT ENVIRONMENTAL IMPACT STATEMENT

The following agencies were consulted during preparation of the Draft Environmental Impact Statement (EIS). Agency comments and responses to substantive comments are included herein.

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- 36. Dan Orodenker, Executive Officer State of Hawai'i State Land Use Commission P.O. Box 2359 Honolulu, Hawai'i 96804
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- Representative Kaniela Ing House of Representatives Hawai'i State Capitol, Room 311 415 S. Beretania Street Honolulu, Hawai'i 96813
- 39. Kihei Public Library State of Hawai'i 35 Waimahaihai Street Kihei, Hawai'i 96753

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- Honorable Alika Atay
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- 60. Honorable Michael White, Council Chair Maui County Council 200 South High Street Wailuku, Hawai'i 96793
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- 64. Kihei Community Association P. O. Box 662
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- 65. Keaaumoku Kapu Aha Moku Chair P.O. Box 11524 Lahaina, Hawati 96761
- 66. Timothy Bailey 90 Alae Road Kula, Hawai'i 96790
- 67. Maui News 100 Mahalani Street Walluku, Hawai'i 96793
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XI. REFERENCES

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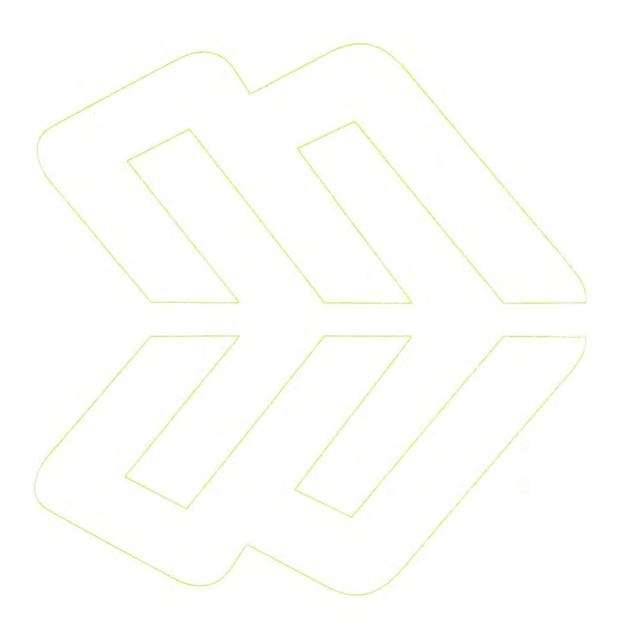
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BEFORE THE LAND USE COMMISSION

OF THE STATE OF HAWAI'I

In the Matter of the Petition of)	Docket No. A94-706
)	
KAONOULU RANCH to Amend the)	
Agricultural Land Use District Boundary into)	
the Urban Land Use District for approximately	')	
88 acres at Kaonoulu, Makawao-Wailuku,)	
Maui, Hawaii; Tax Map Key Nos. 2-2-02:por.)	
of 15 and 3-9-01:16)	
	_)	

CERTIFICATE OF SERVICE

THE UNDERSIGNED HEREBY CERTIFIES that a true and correct file-marked copy of the foregoing document was duly served upon the following parties VIA ELECTRONIC MAIL and AS INDICATED BELOW at their last known address:

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DATED: Honolulu, Hawai'i, July 5, 2017.

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