



# MUNEKIYO HIRAGA

Planning. Project Management. Sustainable Solutions.

Michael T. Munekiyo

CHAIRMAN

Karlynn K. Fukuda

PRESIDENT

Mark Alexander Roy

VICE PRESIDENT

Tessa Munekiyo Ng

VICE PRESIDENT

LAND USE COMMISSION  
STATE OF HAWAII

2019 SEP 16 A 8:27

**TO:** Dan Orodener, Executive Director  
State of Hawai'i  
Land Use Commission  
Department of Business, Economic  
Development & Tourism  
P.O. Box 2359  
Honolulu, Hawai'i 96804-2359

**DATE:** September 12, 2019

**SUBJECT:** 2019 Annual Report for Docket  
No. A89-642 to the Land Use  
Commission

## Enclosed is/are:

Copies	Date	Description
Orig. + 1	9/12/19	2019 Annual Report for Docket No. A89-642 for the Kehalani Project District, Wailuku, Maui, Hawai'i
1	---	Date Stamped Envelope for Date Stamped Copy of 2019 Annual Report

X	For your comment For necessary action For your review For your files	For your use As requested For your signature Returning
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## REMARKS:

We are transmitting the 2019 Annual Report for the Kehalani Project District as stipulated in Condition No. 12 of the Decision and Order. We would like to request a date stamped copy of the report and are, therefore, providing a self-addressed stamped envelope for your use. If there are any questions, I can be reached at (808) 244-2015. Thank you.

Signed: \_\_\_\_\_

for Gwen Ohashi Hiraga  
Senior Advisor

Copy to: Office of Planning (w/enclosures)  
Michele McLean, Department of Planning (w/enclosures)  
Brian Ige, RCFC Kehalani LLC/RCFC Piihana LLC (w/enclosures)

K:\DATA\RCFC Kehalani\Kehalani PD General\DPPL 2019 LUC Annual Report.tta.doc

Maui: 305 High Street, Suite 104 • Wailuku, Hawaii 96793 • Tel: 808.244.2015 • Fax: 808.244.8729

Oahu: 735 Bishop Street, Suite 321 • Honolulu, Hawaii 96813 • Tel: 808.983.1233

[www.munekiyoHIRAGA.com](http://www.munekiyoHIRAGA.com)



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LAND USE COMMISSION  
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September 12, 2019

Land Use Commission  
State of Hawaii  
P.O. Box 2359  
Honolulu, Hawaii 96804-2359

SUBJECT: 2019 Annual Report for Docket No. A-89-642  
Wailuku Project District (Kehalani), Wailuku, Maui, Hawaii

Dear Honorable Chairman and Members:

In response to Condition 12 of the Findings of Fact, Conclusions of Law, and Decision and Order, dated January 30, 1990, we are pleased to submit the following report. Please note that this report is being submitted solely on behalf of RCFC Kehalani, LLC and solely with respect to the Wailuku Project District (also sometimes referred to as "Kehalani"). Previously the Petitioner's affiliate, RCFC Piihana, LLC held an ownership interest in certain lands which were a part of the Piihana Project District; however, all such interests have since been sold to a third party.

### **BACKGROUND**

On January 30, 1990, the Land Use Commission (the "Commission") issued its Findings of Fact, Conclusions of Law, and Decision and Order in Docket No. A89-642, granting the reclassification of approximately 624 acres of land situated at Wailuku and Piihana, County of Maui, State of Hawaii, comprised of approximately 545 acres of land identified on the Tax Maps of the State of Hawaii as Tax Map Key Numbers: 3-5-01:01 (portion), 17 (portion), and 3-4-07:02 (portion) (hereinafter referred to as "Wailuku Project District"); and 79 acres identified on the Tax Maps of the State of Hawaii as Tax Map Key Number: 3-3-01:16 (portion), 33, and 3-4-32:10, 18 and 01 (portion) (hereinafter referred to as "Piihana Project District") from the Agricultural to the Urban Land Use District.

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RCFC Kehalani, LLC (the "Petitioner") has received approvals to develop the property pursuant to Maui County's three-phase "Project District" zoning ordinance.

The Phase I application for the Wailuku Project District was submitted to the County of Maui in April 1990. This submittal petitioned the County to establish the Project District and define the zoning within them. The proposal was brought before the Maui County Council for review and was approved in November 1991.

The Phase II application for the Wailuku Project District was submitted to the County of Maui in December of 1991. This submittal further refined the designs of the project and the project's impacts on the surrounding communities. This submittal also set standards for architecture, occupancy, and specific uses within the Project District. The County of Maui has approved the Phase II submittal for the Wailuku Project District.

### **WAILUKU PROJECT DISTRICT**

In 2002, a Phase II Amendment for a 65-acre portion of the Wailuku Project District (Kehalani) was submitted. The amendment reallocated the location of certain uses within the Project District, more specifically it centralized the location of the school and community park. County approval was granted for this request on September 16, 2002.

On June 28, 2016, the Petitioner submitted an amendment to the Wailuku Project District Phase II Land Use Map identifying the residential sub-districts which was approved by the Maui Planning Commission. See **Exhibit "A"**.

Phase III approvals are granted by the County of Maui for each individual neighborhood or project. Each approval requires the submittal of such information as site layout, product and landscaping design and a review of compliance with the zoning and Phase II conditions. The Phase III approval process will continue throughout the life of the Project District. To date, Kehalani has received Phase III approvals on 25 of the 28 planned neighborhoods in the Wailuku Project District. Of the approved neighborhoods, 7 are east (makai) of Honoapiilani Highway, and 18 are west (mauka) of the highway.

### **UPDATE ON COMPLIANCE WITH LUC CONDITIONS:**

- 1. Petitioner shall provide housing opportunities for low, low-moderate, and moderate income residents of the State of Hawaii by offering for sale or lease a number of units equal to at least thirty percent (30%) of the residential units in each of the Project Districts of the Property, at prices which families with an income range of up to one hundred and twenty percent (120%) of the County of Maui's median income can afford, and a number of units equal to at least thirty percent (30%) of the residential**



units in each of the Project Districts of the Property, at prices which families with an income range of one hundred twenty to one hundred forty percent (120% - 140%) of the County of Maui's median income can afford.

This condition may be fulfilled through construction and distribution of units in the Property or through other projects within the same Community Plan District as the Property, under such terms as may be mutually agreeable, between Petitioner and the Housing Finance and Development Corporation of the State and the County of Maui.

This condition may also be fulfilled, with the approval of the Housing Finance and Development Corporation and the County of Maui, through construction of rental units to be made available at rents which families in the specified income ranges can afford.

In addition, Petitioner may obtain the special credit, as determined by the Housing Finance and Development Corporation and the County of Maui, for the provision of more than ten percent (10%) of the total units of housing affordable to persons with incomes less than eighty percent (80%) of Maui's median income and for the provision of housing for special needs groups, as determined by the Housing Finance and Development Corporation and the County of Maui.

Insofar as possible, the Petitioner shall implement this affordable housing requirement concurrently with the completion of market priced units for the residential project. The determination of median income, as the term is used in this condition, shall be based on median income figures published by the United States Department of Housing and Urban Development at the time that construction of such housing units is commenced.

**Response:** The Petitioner continues to work with the Maui County Department of Housing and Human Concerns (DHHC) on fulfilling the affordable requirements associated with the Project District. As of December 31, 2018, the Petitioner has earned a total of 1,107 affordable housing credits at Kehalani and within the surrounding Wailuku Community Plan area. Affordable housing credits from these efforts are being used to satisfy the current requirements for Kehalani. There is a surplus of 317 housing credits for use in future phases of the Project. A letter dated January 31, 2019 from the DHHC and related summary confirming the total housing units built and affordable credits earned through December 31, 2018 is attached for your reference. See **Exhibit "B"**.



2. **Petitioner shall prepare, or participate in the preparation of, a regional traffic Impact study to address all traffic Impacts resulting from the Project in coordination with the State Department of Transportation and the County of Maui.**

**Petitioner shall participate on a pro rata share basis in the funding and construction of regional transportation improvements identified by, and to the satisfaction of the State Department of Transportation and the County of Maui. The Petitioner shall also fund and construct the transportation improvements in the immediate vicinity, and necessitated by the proposed development as identified by, and to the satisfaction of, the State Department of Transportation and the County of Maui. In addition, Petitioner shall submit construction plans, traffic studies, and drainage reports associated with the Project Districts to the State Department of Transportation and the County of Maui for review and approval.**

**Response:** A Long Range Traffic Master Plan, which studied the impacts of additional traffic both within the Wailuku Project District and in the surrounding communities was submitted to the State Department of Transportation (SDOT) and the Maui County Department of Public Works (DPW).

Petitioner has approval from the SDOT regarding the improvements required on Honoapiilani Highway to mitigate the impacts of the development. The improvements at the intersection of Honoapiilani Highway and Kuikahi Drive were the last SDOT highway improvement completed. Petitioner is continuing to work with the DPW with respect to traffic improvements. The most recent DPW improvements are the curbs, gutters, sidewalks, drainage, and intersection lighting, including provisions for future traffic signals fronting Kehalani Village Center on Kuikahi Drive and Waiale Drive. The improvements were deemed completed by the DPW on July 23, 2018.

A Traffic Impact Assessment Report, dated March 2003, was accepted for the ongoing phases of work at Kehalani and the SDOT has allowed the County to continue processing individual projects at Kehalani for development. An updated traffic evaluation report was completed in December 2014, and was submitted to the SDOT as part of the Kuikahi/Honoapiilani Intersection Improvements Project.

3. **Petitioner shall prepare drainage and erosion control plan and shall fund and construct the necessary drainage improvements.**

**Response:** Drainage and erosion control plans are required by the County for each phase of development at Kehalani. The Petitioner has agreements with the

County of Maui to install regional on- and off-site drainage improvements that benefit both Kehalani and the surrounding areas. Copies of these agreements were included with the Annual Report for 2009. The drainage improvements are divided into two (2) basic areas, makai (serving areas below Honoapi'ilani Highway) and mauka (serving areas above Honoapi'ilani Highway). The makai drainage system is completed and the mauka drainage system is substantially completed. Both systems were designed to handle both pre-and post-development runoff from Kehalani.

**4. Petitioner shall provide the necessary water source and transmission facilities to service the Project.**

**Response:** The Petitioner continues to work with the Maui County Department of Water Supply (DWS) to address water system needs. The Agreement for Implementation of Water Master Plan for Kehalani and First Amendment to Agreement for Implementation of Water Master Plan outlines various water storage and transmission system improvements required at Kehalani. These Agreements were submitted with the 2009 Annual Report. The Petitioner is current with the requirements under these Agreements.

In July 2003 the Iao Aquifer was officially designated as a ground water management area. In 2007, the Projects prior Petitioner applied for and was granted a new water use permit for its Wailuku Shaft 33 Well situated within the Kehalani lands. The DWS under a license agreement with prior Petitioner operated and maintained the Wailuku Shaft 33 Well to provide water for the DWS's Central Maui Water System. In August 2015, the current Petitioner entered into a development agreement with the DWS to develop Wailuku Well No. 2 as a replacement well for Shaft 33. The development of this well has been completed and was conveyed to the DWS on April 18, 2017. Upon the conveyance of the well to the DWS, the Petitioner obtained the water source required for the balance of the project.

Upon the completion and conveyance of Wailuku Well No. 2 to the DWS, the Petitioner commenced with the closure of the Shaft 33 Well, and on September 29, 2017, the State of Hawaii Commission on Water Resource Management acknowledged the closure and abandonment of Shaft 33.

Currently, the Petitioner is working with the DWS in developing the Kehalani mid-level booster pump system. This system will allow the DWS to pump water from the Iao Water Storage Tank to the Kehalani Mid-level Tank. The Project is anticipated to commence shortly with completion in the second quarter of 2020.



5. **Petitioner shall pay its pro rata share to expand or improve the existing Kahului Wastewater Treatment Plant and/or route the wastewater to be generated by the Project to the proposed new Central Maui Wastewater Treatment Plant to the satisfaction of the County of Maui, Department of Public Works, and the State Department of Health. Petitioner shall also participate in the funding of the proposed new wastewater treatment plant and required transmission lines.**

**Response:** In January 1990, the planned expansion of the Central Maui Wastewater Treatment Plant was completed. The plant's capacity was increased from 6.0 to 7.9 million gallons per day. The increased capacity of the Central Maui Wastewater Treatment Plant is anticipated to provide sufficient capacity for the Project. The Petitioner also entered into an agreement with the County of Maui to upgrade existing offsite sewer collection systems downstream of the Project. The offsite sewer collection system upgrades are completed. Petitioner is also continuing to pay an impact fee on a per-unit basis to the County of Maui for collection and treatment facility expansion. The current County of Maui impact fee for 2019/2020 is \$1,599 for each single-family residential unit developed and \$1,165 for each multifamily unit developed. The County of Maui impact fee for commercial developments vary depending on the type of commercial use.

6. **Petitioner shall inform all prospective occupants of the Hawaii Right-to-Farm act, Chapter 165, Hawaii Revised Statutes, which limits the circumstances under which pre-existing farming activities may be deemed a nuisance.**

**Response:** Petitioner has prepared a disclosure form for its sales packages, and will include restrictive covenants on all deeds for lots to be sold or leases for occupation in the Project disclosing the Hawaii Right-to-Farm Act, Chapter 165, Hawaii Revised Statutes, which limits the circumstances under which pre-existing farm activities may be deemed a nuisance.

7. **Petitioner shall provide its pro rata share for school facilities as may be required by and to the satisfaction of the State Department of Education.**

**Response:** The process of developing 14 acres for an elementary school site within the Wailuku Project District has been finalized. The State Department of Education (DOE) completed construction of the new elementary school and the school opened on August 4, 2013. The warranty deed to the DOE has been executed and recorded. The Educational Contribution Agreement for Wailuku Project District and related amendments document the Petitioner's satisfaction of its pro rata share requirements for education at Kehalani. Copies of these agreements and amendments were included in previous reports.

8. **Petitioner shall provide its pro rata share for police, fire, park, and solid waste disposal as may be required by and to the satisfaction of the County of Maui.**

**Response:** Petitioner is committed to provide its prorata share for police, fire, park, and solid waste disposal. The Wailuku Project District includes areas for private and neighborhood parks. On December 3, 2012, Petitioner entered into a new park assessment agreement with the County of Maui for the Wailuku Project District. The agreement required the development of the Mauka and Makai Parks and pocket parks within the Wailuku Project District. The agreement and associated Maui County Council Resolution 12-92 was previously submitted with the 2014 Annual Report.

Construction of the Makai Park was initiated in March 2014 and completed and conveyed to the County of Maui in May 2015. Petitioner completed construction of the Mauka Park in June 2017 and on March 5, 2018 the Mauka Park land and improvements were conveyed to the County of Maui via a warranty deed.

With respect to the pocket parks, two (2) pocket parks have been completed and are being maintained by the Kehalani Community Association. A third 4.80 acre pocket park is currently in the final stages of construction and will be completed by the end of the year. This pocket park will also be maintained by the Kehalani Community Association.

9. **Petitioner shall perform further subsurface testing of the Piihana Project District to the satisfaction of the State Historic Preservation Office. Petitioner shall also submit a mitigation plan to the State Historic Preservation Office for review and approval.**

**Petitioner shall immediately stop work and contact the State Historic Preservation Office should any archaeological resources such as artifacts, shell, bone or charcoal deposits, human burial, rock or coral alignments, pavings or walls be encountered during the Project's development.**

**Response:** The first paragraph of this condition does not apply to the Wailuku (Kehalani) Project District. The Petitioner acknowledges paragraph two of this condition and will comply with this condition.



- 10. Petitioner shall develop the Property in substantial compliance with the representations made to the Land Use Commission in obtaining the reclassification of the Property.**

**Response:** "Phase II" approval has been received from the County of Maui. The "Phase II" approval process is a public hearing process. The Maui Planning Commission reviews more specific site plans, architectural designs and imposes additional conditions to the development. Also, Project District Phase III approval has been obtained on 25 of the 28 planned neighborhoods within the Project. During the Phase III approval process the County of Maui Planning Director reviews plans for site and conceptual building design to ensure its compliance with representations made at the Phase I and II approval process. The plans provided to the County of Maui are substantially in keeping with the information provided to the Commission.

- 11. Petitioner shall give notice to the Commission of any intent to sell, lease, assign, place in trust, or otherwise voluntarily alter the ownership interest in the Property covered by the approved petition, prior to the development of the Property.**

**Response:**

The Commission was notified of the following conveyances for the Wailuku Project District in this 2018 Annual Report.

- A. All undeveloped land at Kehalani, including the Kehalani Village Center was conveyed to RCFC Kehalani, LLC on July 22, 2013.
- B. As noted in the 2014 Annual Report, Module 19, identified as TMK (2)3-5-001:090, was conveyed to HBT OF KEHALANI LLC on August 11, 2014.

The Commission was notified of the following conveyances for the Wailuku Project District in the 2016 Annual Report.

- C. On December 23, 2015, Module 14, identified as TMK (2)3-5-001:110, was conveyed to D.R. Horton-Schuler Homes, LLC.
- D. On January 4, 2016 Lot P-2-A, identified as TMK (2)3-5-001:106, was conveyed to the County of Maui (Wailuku Well No. 1 Site).
- E. On January 4, 2016, Lot T-1, identified as TMK (2)3-5-001:091, was conveyed to the County of Maui (lao Water Tank Site).

- F. On April 16, 2016, Modules 12 and 13, identified as TMK (2)3-5-001:108 and 109, were conveyed to Kehalani Investors, LLC.

The Commission was notified of the following conveyances for the Wailuku Project District in the 2017 Annual Report.

- G. On February 7, 2017, Module 18, identified as TMK (2)3-5-001:089, was conveyed to HBT of Ilima LLC.
- H. On March 8, 2017, Module 9, identified as TMK (2)3-05-001:112, was conveyed to D.R. Horton-Schuler Homes, LLC.
- I. On April 18, 2017, Lot P-3-A, identified as TMK (2)3-5-001:117, was conveyed to the County of Maui (Wailuku Well No. 2 site).

The Commission was notified of the following conveyances for the Wailuku Project District in the 2018 Annual Report.

- J. On March 5, 2018, Lot 1-J, identified as TMK (2)3-5-001:080 was conveyed to the County of Maui (Kehalani Mauka Park).

The Commission is hereby notified of the following conveyances for the Wailuku Project District in this 2019 Annual Report.

- K. The Petitioner is developing a 25-lot residential subdivision on Module 8 (La'ikeha at Kehalani) identified as TMK Nos. (2)3-5-040:001 to 0028. Petitioner has sold and conveyed six (6) lots to individual buyers as of the date of this report.

- 12. Petitioner shall provide 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 the Petitioner's progress in complying with the conditions imposed.**

**Response:** This report is submitted in compliance with this requirement. Copies of the report are being provided to the Office of Planning and the County Department of Planning.

- 13. C. Brewer Properties, Inc. shall enter into an agreement with the Department of Hawaiian Home Lands (DHHL) that Petitioner shall take no action within four years of the date of said Agreement, on Petitioner's Piihana and Wailuku Project Districts, which will jeopardize the ability of DHHL to apply for or obtain an allocation of sewage treatment capacity**



**from the County. Said Agreement shall be recorded within thirty (30) days of the effective date of the Commission's Decision and Order and shall run with the land.**

**Response:** As noted in previous Annual Reports, DHHL has completed its developments which was not impacted by the subject Wailuku Project District.

14. **In the event that Petitioner should sell its interest in its Piihana and Wailuku Project Districts, the 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.**

**Response:** In the 2014 Annual Report it was noted that the Kehalani Holdings Company, Inc. conveyed the Kehalani (Wailuku Project District 3) lands to RCFC Kehalani, LLC. In addition, RCFC Kehalani, LLC conveyed property in Kehalani (Wailuku Project District), identified as TMK (2)3-5-001:090 to HBT OF KEHALANI LLC; in 2015 TMK (2)3-5-001:110 to D.R. Horton, Schuler Homes, LLC; in 2016 TMK (2)3-5-001:108 and 109 to Kehalani Investors, LLC, and TMK (2)3-5-001:091 and 106 to the County of Maui; in 2017 TMK(2)-3-5-001:089 to HBT of Ilima LLC; TMK (2)3-5-001:112 to D.R. Horton-Schuler Homes, LLC; TMK (2)3-5-001:117 to County of Maui; in 2018 TMK (2)3-5-001:080 to the County of Maui; and in 2019, TMK (2)3-5-040:001 to 025 to individual Buyers. The properties are subject to the terms and conditions set forth in the Commission's Decision and Order.

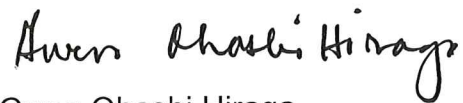
15. **The Commission may fully or partially release these conditions as to all or any portion of the Property upon timely motion, and upon the provision of adequate assurance of satisfaction of these conditions by Petitioner.**

**Response:** At this time, the Petitioner is not requesting release from any of the conditions originally imposed.

Land Use Commission  
September 12, 2019  
Page 11

If you have any questions, or require further information with regard to this Annual Report, please do not hesitate to contact me at (808) 244-2015.

Very truly yours,



Gwen Ohashi Hiraga  
Senior Advisor

GOH:tn  
Enclosures

cc: Brian Ige, Dowling Company, Inc. (w/enclosures)  
Department of Planning (w/enclosures)  
Office of Planning (w/enclosures)

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## **EXHIBIT A.**

**Maui Planning Commission  
Approval of Amended Project  
District Phase II Land Use Map  
Dated July 15, 2016**

ALAN M. ARAKAWA  
Mayor

WILLIAM R. SPENCE  
Director

MICHELE CHOUTEAU McLEAN  
Deputy Director



COUNTY OF MAUI  
**DEPARTMENT OF PLANNING**

July 15, 2016

Ms. Colleen Suyama, Senior Associate  
Munekiyō Hiraga  
305 High Street, Suite 104  
Wailuku, Hawaii 96793

Dear Ms. Suyama:

**SUBJECT: AMENDMENT TO A PROJECT DISTRICT PHASE II (PH2) APPROVAL  
IN ORDER TO CLARIFY THE RESIDENTIAL SUBDISTRICTS IN THE  
EXISTING KEHALANI PROJECT DISTRICT, LOCATED IN WAILUKU,  
ISLAND OF MAUI, HAWAII; (PH2 92/0001)**

At its regular meeting on June 28, 2016, the Maui Planning Commission (Commission) reviewed the above-referenced item. The Commission voted to grant approval of the map titled, "WAILUKU-KAHULUI PROJECT DISTRICT 3 (WAILUKU) PHASE II AMENDMENT: LAND USE MAP WITH DISTRICTS AND SUBDISTRICTS, DATED 06/23/16".

For clarification, the approved map only addressed the residential subdistricts within Kehalani, and did not specifically include or address any other aspect of the Kehalani Project District. The Commission did not include any conditions of approval. Please note the following for future reviews:

- The Residential district has four subdistricts as noted on the approved map;
- There is no "Residential VMX," "School VMX" or "Neighborhood Commercial VMX" district or subdistrict; there is a Village mixed use ("VMX") district with no subdistricts; the Commission's action on June 28, 2016 did not pertain to VMX;
- There is no "Park" district or subdistrict; there is a Park/open space district that has two subdistricts (Park subdistrict and Open Space subdistrict); the Commission's action on June 28, 2016 did not pertain to Park/open space; and
- There is no "Roadways/Open Space/Drainage" district or subdistrict; the Commission's action on June 28, 2016 did not pertain to these uses.



Ms. Colleen Suyama, Senior Associate  
July 15, 2016  
Page 2

Thank you for your cooperation. If additional clarification is required, please contact Staff Planner Danny Dias at [danny.dias@mauicounty.gov](mailto:danny.dias@mauicounty.gov) or at (808) 270-7557.

Sincerely,

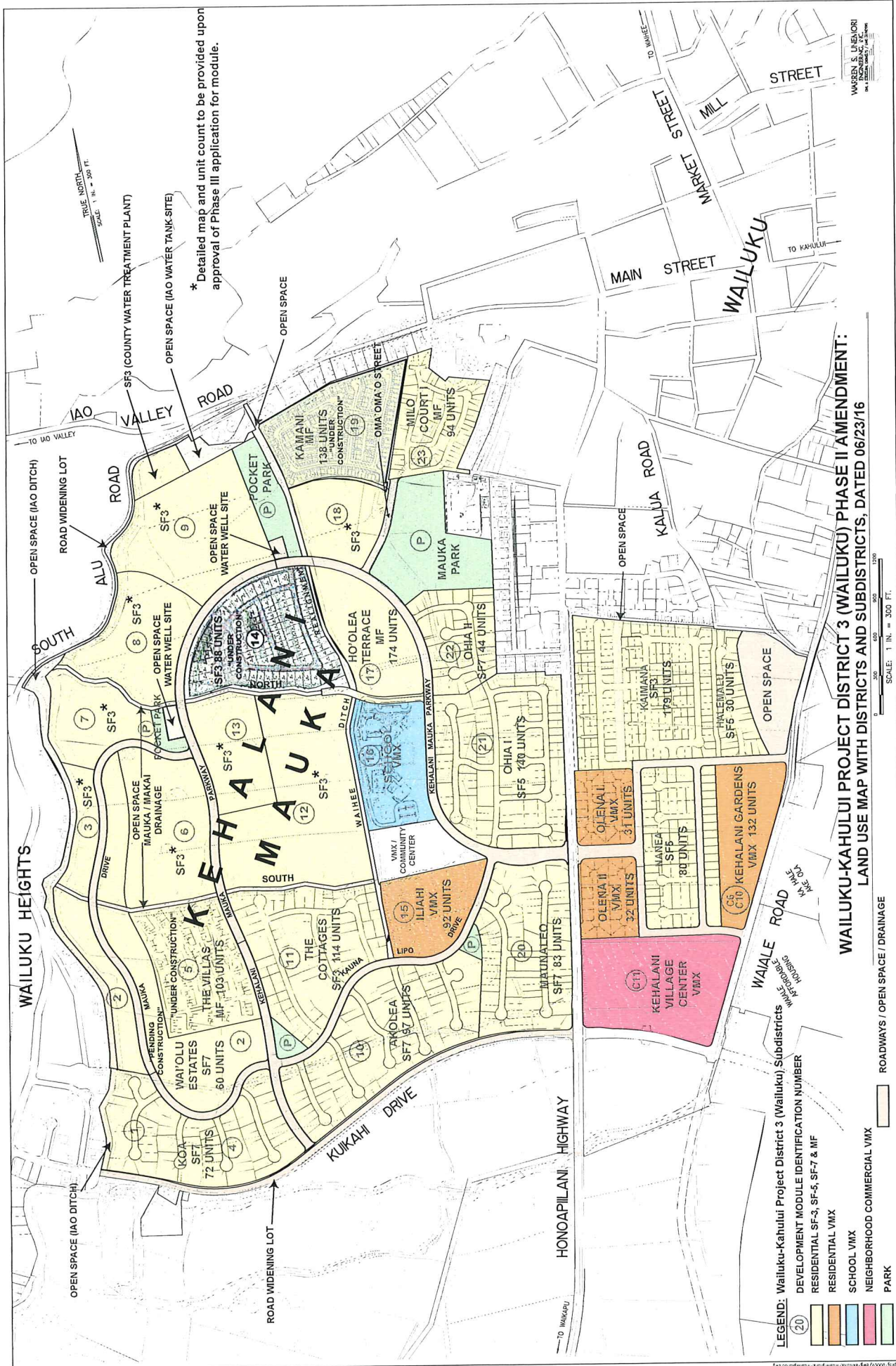


WILLIAM SPENCE  
Planning Director

Attachments: (Approved Kehalani Residential Subdistrict Map)  
xc: Clayton I. Yoshida, AICP, Planning Program Administrator (PDF)  
John S. Rapacz, Planning Program Administrator (w/ attachment)  
Danny A. Dias, Staff Planner (PDF)  
Project File  
General File

WRS:DAD:nt

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### WAILUKU-KAHULUI PROJECT DISTRICT 3 (WAILUKU) PHASE II AMENDMENT: LAND USE MAP WITH DISTRICTS AND SUBDISTRICTS, DATED 06/23/16

- LEGEND:** Wailuku-Kahului Project District 3 (Wailuku) Subdistricts
- |   |  |
|---|--|
| <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">20</span>  | DEVELOPMENT MODULE IDENTIFICATION NUMBER |
| <span style="background-color: #f9e79f; border: 1px solid black; display: inline-block; width: 15px; height: 15px;"></span> | RESIDENTIAL SF-3, SF-5, SF-7 & MF        |
| <span style="background-color: #fce4d6; border: 1px solid black; display: inline-block; width: 15px; height: 15px;"></span> | RESIDENTIAL VMX                          |
| <span style="background-color: #e1f5fe; border: 1px solid black; display: inline-block; width: 15px; height: 15px;"></span> | SCHOOL VMX                               |
| <span style="background-color: #e91e63; border: 1px solid black; display: inline-block; width: 15px; height: 15px;"></span> | NEIGHBORHOOD COMMERCIAL VMX              |
| <span style="background-color: #e8f5e9; border: 1px solid black; display: inline-block; width: 15px; height: 15px;"></span> | PARK                                     |
- ROADWAYS / OPEN SPACE / DRAINAGE

WARREN S. UHENORI  
REGISTERED PROFESSIONAL ENGINEER

\* Detailed map and unit count to be provided upon approval of Phase III application for module.



## **EXHIBIT B.**

**Letter from Department of  
Housing and Human Concerns  
Dated January 31, 2019**



DEPARTMENT OF  
**HOUSING AND HUMAN CONCERNS**  
COUNTY OF MAUI

MICHAEL P. VICTORINO  
Mayor

WILLIAM R. SPENCE  
Acting Director

LORI TSUHAKO  
Deputy Director

---

200 SOUTH HIGH STREET • WAILUKU, HAWAII 96793 • PHONE (808) 270-7805 • FAX 270-7165 • EMAIL [director.hhc@mauicounty.gov](mailto:director.hhc@mauicounty.gov)

January 31, 2019

Mr. Everett Dowling  
Dowling Company, Inc.  
2005 Main Street  
Wailuku, HI 96793

Dear Mr. Dowling:

**SUBJECT: Wailuku Project District 3 – Kehalani Master Planned Community**

This letter serves as confirmation of the affordable housing credits earned to date for the Kehalani Master Planned Community. As of December 31, 2018, the Project has earned 1,107 affordable housing credits through the sale of units at affordable prices on an overall basis. Upon completion of Phase III of the Project, and assuming sales at price ranges previously represented to the County, a total of 790 affordable housing credits will be required, leaving a surplus of 317 credits for use in future phases of the Project. This total is reflected in the attached Exhibit 1 (Kehalani Affordable Housing Summary as of 12-31-18).

Consistent with the Land Use Commission Annual Report for Docket No. A-89-642 submitted on September 15, 2012, any deficit in affordable housing units within an income group will need to be addressed by remaining undeveloped Kehalani modules or built offsite but within the same Community Plan Area. Likewise, the County expects any surplus of affordable housing within an income group will be used to offset the affordable housing requirements of that income group (or a higher income group) of future Kehalani modules.

As of December 31, 2018, the Project has a surplus of 10 units within the 51%-65% income group. As previously stated, Kehalani will need to be in compliance at the end of each year with the affordable housing requirement for the 51% - 65% income group.

Please feel free to call me at 270-7805 if you have any questions.

Sincerely,

WILLIAM R. SPENCE  
Acting Director of Housing and Human Concerns

Attachment  
cc: Housing Division

