DAVID Y. IGE GOVERNOR





ISE ISERI-MATSUBARA

STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION 677 QUEEN STREET, SUITE 300 Honolulu, Hawaii 96813 FAX: (808) 587-0600

IN REPLY REFER TO:

21:PECB/29

June 30, 2021

TO: Mary Alice Evans, Director Office of Planning

FROM: for Denise Iseri-Matsubara Francis Paul Keeno-Executive Director

SUBJECT: Order to Show Cause LUC Docket No. A11-790 Kula Ridge, LLC Kula, Makawao, Maui, Hawaii, TMK: (2) 2-3-01: Por. 23 and 174

This is in response to your memorandum, dated June 7, 2021, requesting comments on the subject Order to Show Cause as to why the Petition Area should not be reverted to its Agricultural Classification.

The 2019 Hawaii Housing Planning Study estimated that, from 2020-2025, there would be a need for approximately 10,404 new units in the County of Maui. Development of the proposed project would deliver 64 affordable housing units. Of these, 59 units would be provided as set forth in Maui County Resolution No. 10-57.

In its Annual Report, dated February 10, 2020, Petitioner Kula Ridge LLC clearly indicated that it understood its obligation towards the "Affordable Housing" condition and that it would comply with this "Affordable Housing" condition. Annual Report, p. 3.

HHFDC is concerned with Petitioner's non-compliance with this "Affordable Housing" condition. However, we take no position on the reversion of the Petition Area to its Agricultural Classification.

## EXHIBIT 1A