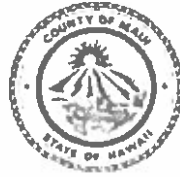


## DOCUMENT 1

MICHAEL P. VICTORINO  
Mayor  
MICHELE CHOUTEAU MCLEAN, AICP  
Director  
JORDAN E. HART  
Deputy Director



**DEPARTMENT OF PLANNING**  
COUNTY OF MAUI  
ONE MAIN PLAZA  
2200 MAIN STREET, SUITE 315  
WAILUKU, MAUI, HAWAII 96793

January 22, 2021



Mr. Buddy Almeida, Housing Administrator  
County of Maui, Housing Division  
2065 Main Street, Suite 108  
Wailuku, Hawaii 96793

Dear Mr. Almeida:

**SUBJECT: REQUEST FOR COMMENTS REGARDING THE  
PREPARATION OF AN ENVIRONMENTAL ASSESSMENT (EA)  
FOR THE PROPOSED HOKUAO 201H-38 HOUSING PROJECT,  
LOCATED IN LANAI CITY, ISLAND OF LANAI, HAWAII;  
TMKS: (2) 4-9-002:61 (POR.), (2) 4-9-014:001 (POR.), AND  
(2) 4-9-014:009 (POR.) (EAC 2020/0015)**

The Department of Planning (Department) is in receipt of the proposed Hokuao 201H-38 Residential Housing Project Request for Comments in preparation of the Draft Environmental Assessment (DEA). The Department understands from the project précis that the proposed Hokuao Housing Project comprises approximately 76-acres of land in Lanai City. Hokuao is proposed to be developed as an affordable housing project under the provisions of Hawaii Revised Statutes (HRS) Chapter 201H. The Hokuao project proposes: 150 single family homes (76 affordable homes for lease, 74 market rate homes for lease); lot sizes will be generally 8,000 square feet; and homes will reflect the existing design vernacular of Lanai City. Along the east edge bordering the school fields, the project provides a one-acre park, a 1,500 square foot community center for use by the Lanai community, and 60 parking stalls for use by the Hokuao project residents. An existing drainage swale on the western boundary carries storm water away from the existing town and community center. On the western flank, the project sets back from the existing wastewater treatment plant (WWTP) with a 600 foot buffer between the closest lot at the WWTP edge.

Further, the Department understands that the use of County lands for the relocation of existing sewer lines and improvements in the County right-of-way for Ninth and Twelfth Streets is the HRS 343 trigger for the preparation of an EA. The approving agency for the EA is the Department of Housing and Human Concerns, County of Maui. The EA covers actions for the State Land Use Commission District Boundary Amendment review and the Maui County Council 201H affordable housing application review.

The Department offers the following comments.

1. The Department notes split land use designations for the parcel with regards to County Community Plan designations and County Zoning. Overlay the detailed project site plan on maps/diagrams showing each of these plan and zoning designations and the "splits" for the project site in the DEA.

2. The Applicant requests an exemption from Section 20.070 Maui County Code (MCC), Sidewalks. Many traffic-related tragedies, including those involving pedestrians, can be prevented by taking a proactive and preventive approach to roadway safety. In line with Vision Zero, Complete Street principles are also paramount to healthy and safe communities. Complete Streets are designed and operated to enable safe access for all users including pedestrians, bicyclists, motorists and transit riders (e.g. DOE, MEO) of all ages and abilities. Communities that are designed and constructed with these fundamental and critical planning principles provide for socially equitable, convenient, safe and healthy living opportunities for all residents. Statistics indicate that pedestrian and bicycle related fatalities and injuries occur on both urban and rural roadways and in some cases there are more pedestrian deaths in rural areas than in urban areas. Maui County is currently in the process of developing a Vision Zero Maui Action Plan, with input from the Vision Zero Advisory Group, community members and partners, to identify strategies that will eliminate preventable traffic deaths and injuries. In light of the foregoing, the Department asks the Applicant to consider dedicated pedestrian connectivity throughout the project via walkways/sidewalks made of grasscrete, asphalt or concrete that connect to the project entry main points. It is difficult to ascertain if such sidewalks are proposed within the project between dwellings.
3. A 1,500 square foot community center for use by the Lanai community and 60 parking spaces for use by the Hokuao project residents are proposed. Are there parking spaces dedicated for non-Hokuao residents who will be using the community center? Please elaborate on the facilities inside the center and the process of administration and reservations for use.
4. The development proposes a reduction in the front-yard setback to five feet from the normally required 15 feet in residential districts in order to expand the usable area of the back yard and to promote greater separation between houses. Please elaborate if this really promotes a safe pedestrian experience and if a reduction to a five foot front yard setback is excessive, given that the lots average 8,000 square feet.
5. Evaluate the mix and location of market rate and affordable rate dwellings in order to prevent a segregation of units by rental price within the project.
6. Further elaborate on the affordable rental rate program and how such a program will work if qualified affordable rental candidates cannot readily be found. Is there a tiered approach to rental similar to that in a for-purchase project? What priorities and procedures, if any, will be used to determine allocation of rental dwellings?
7. When is the trigger to build the community center and one-acre park? These amenities should be completed prior to the occupancy of the first dwelling unit.

8. Provide adequate storage space on-site for lawn and other equipment to maintain the property.
9. Provide a detailed site plan showing trash enclosure areas, all 60 parking spaces available to project residents, sidewalks and connectivity patterns from Ninth and Twelfth Streets, proposed house types on each lot, architectural design of the community center, and proposed signage for the project.
10. Do the units include a washer and dryer? If not, the Applicant should consider an onsite laundry facility for its residents (similar to Lahaina Surf, Front Street Apartments, Hale Mahaolu Kulamalu, Luana Gardens, etc.).
11. The Department is concerned about the project's proximity to the WWTP and requests the Applicant to assess wind patterns and smells with regards to the project location. Are there alternative site plans to reduce this possible nuisance?
12. Estimates of project absorption run into eight years in the future, depending upon the timeline of other residential project buildouts on Lanai. As the DEA anticipates the 76 for rent workforce homes will be oversubscribed, discuss the merits and concerns about increasing the ratio of affordable to market rate rentals for the project.
13. Good design is always critical, especially in affordable communities. Provide a series of streetscapes that demonstrates the look of homes along a typical street section. The Department requests that multiple dwelling elevations be mixed throughout the community to enhance visual interest.
14. Discuss the pros and cons of adding carports to the homes with slab parking and whether such carports could be used for the installation of photovoltaic panels.
15. Discuss installing photovoltaic panels on the roofs of the project houses to help offset energy demands and costs.
16. Are there fence separations between homes on the side and backyards? If so what materials will be used for these fences?
17. Landscaping is frequently difficult to maintain. How will lawn maintenance and landscaping be done? Will individuals be able to personalize their dwellings with plantings?
18. What is the proposal for project lighting, especially with regards to pedestrian safety and dark skies?
19. The landscaping plan should consider the incorporation and the use of grass swales or bio swales, tailored to native plants, to capture and naturally filter urban storm water runoff from the parking lot for the 60 vehicles.

Mr. Buddy Almeida, Housing Administrator  
January 22, 2021  
Page 4

Thank you for the opportunity to comment on the preparation of the DEA for the Hokuao 201H Residential Project. Should you require further clarification, please contact the Planning Department at [planning@mauicounty.gov](mailto:planning@mauicounty.gov) or at (808) 270-8205.

Sincerely, •



MICHELE MCLEAN, AICP  
Planning Director

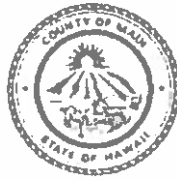
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Buddy Almeida, Housing Administrator, DHHC (PDF)  
Karlynn Fukuda, President, Munekiyo Hiraga (PDF)  
Project File

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## DOCUMENT 2

MICHAEL P. VICTORINO  
Mayor  
MICHELE CHOUTEAU MCLEAN, AICP  
Director  
JORDAN E. HART  
Deputy Director



**DEPARTMENT OF PLANNING**  
COUNTY OF MAUI  
ONE MAIN PLAZA  
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January 22, 2021

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2065 Main Street, Suite 108  
Wailuku, Hawaii 96793

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FOR THE PROPOSED HOKUAO 201H-38 HOUSING PROJECT,  
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TMKS: (2) 4-9-002:61 (POR.), (2) 4-9-014:001 (POR.), AND  
(2) 4-9-014:009 (POR.) (EAC 2020/0015)**

The Lanai Planning Commission (LPC) received the proposed Hokuao 201H-38 Residential Housing Project Request for Comments of the Draft Environmental Assessment (DEA) transmitted by the County of Maui Department of Planning. The LPC understands that the proposed Hokuao Housing Project comprises approximately 76-acres of land in Lanai City. Hokuao is proposed to be developed as an affordable housing community under the provisions of Hawaii Revised Statutes (HRS) Chapter 201H. The Hokuao project proposes: 150 single family homes (76 affordable homes for lease, 74 market rate homes for lease); lot sizes will be generally 8,000 square feet; and homes will reflect the existing design vernacular of Lanai City. Along the east edge bordering the school fields, the project provides a one-acre park, a 1,500 square foot community center for use by the Lanai community, and 60 parking stalls for use by the Hokuao project residents. An existing drainage swale on the western boundary carries storm water away from the existing town and community center. On the western flank, the project sets back from the existing wastewater treatment plant (WWTP) with a 600 foot buffer between the closest lot at the WWTP edge.

Further, the LPC understands that Applicant/Petitioner notes the use of county lands for the relocation of existing sewer lines and improvements in the County right-of-way for Ninth and Twelfth Streets is the HRS 343 trigger for the preparation of an EA. The approving agency for the EA is the Department of Housing and Human Concerns, County of Maui. The EA covers actions for the State Land Use Commission District Boundary Amendment review and the Maui County Council 201H affordable housing application review.

The LPC offers the following comments.

1. The LPC requests that the Applicant explain why the focus on providing affordable housing to the Lanai community appears to have shifted from a for-sale model to this 100% rental community, as was described in prior community meetings and in appendices of the DEA. Although the Commission recognizes the urgent need for housing on Lanai and supports a range of residential products, it recognizes the

hopes and expectations of community members that new housing projects would be available for fee simple ownership. Explain this shift to developing rental housing, rather than for-sale housing.

2. The LPC brought up a housing list which likely consists of people waiting for affordable housing. Will this list and names be used during the selection process for affordable rentals at this project? And if so, how would the list be used?
3. Part of the role of an EA is to explore alternatives to the project. While some discussion is noted in the DEA, the LPC would like to see alternative scenarios discussed as follows:
  - a. Analyze the alternative of developing a rent-to-own plan for some or the entire project.
  - b. Analyze the alternative of making this project a for sale affordable project.
  - c. Analyze the alternative of making some of the affordable homes "for sale" rather than only "for rent."
  - d. Analyze the alternative of making some of the affordable homes either a four or three bedroom dwelling, under for rent or for sale scenarios. None of the affordable homes are four bedrooms, yet many large families on Lanai are expected to be significantly under-housed due to the typical small size of dwelling units on the island of Lanai.
4. The LPC recognizes the legal and administrative challenges of targeting the affordable rental homes to specific groups such as teachers, nurses, long-time Lanai residents, longtime Lanai renters, small business owners, etc.; however, the LPC requests a discussion in the FEA of criteria for rental selection and methods that may be employed to assist in targeting this affordable rental community to high priority groups as previously mentioned. In particular, the LPC requests the Applicant clarify how this project will specifically support long-time Lanai residents/families who intend to live here long-term but have not been able to afford their own home. Please clarify the intent to whom this housing will be targeted, and the role Pulama Lanai will play in the renter selection process if any. Discuss potential lease terms for renters.
5. Please respond to the concern expressed that the proposed project would be used to house construction workers arriving from off-island for future projects, rather than for existing, qualifying residents in need of housing.
6. Clarify that Lanai Housing and Urban Development guidelines for affordable income limits for rental units will be employed for this project, recognizing the higher cost of living on Lanai. What are the target ranges of AMI to be considered for this project and associated rental rates?



7. Page 102 of the DEA states, *"Well 7 was drilled in 1987, it will be the water source for the Hokuao project. Well 7 is at ground level of 2,100 feet; the well depth is 1,650 feet. The well is expected to average sustainable pumping of 300,000 GPD; as noted in the following, the estimated water demand is lower than 121,700 GPD. The project fits within the Lanai WUDP. Well 7 has never been in regular use. Activating and using Well 7 has been identified as the planned source for domestic water needs at Hokuao 201H Housing Project."*

The LPC would like the FEA to describe the current status of Well 7, when the water was last tested at Well 7 and what the results were, and what the anticipated date of activation and use of Well 7 are.

8. Page 209 of the DEA states, *"Homes may include solar photovoltaic on-site generation with individual home battery."* Who would pay for such an installation on rental units? How would energy savings be passed through to the renter? What criteria would be used to determine which units could have PV installed?
9. Discuss the applicability of **HRS §196-6.5 Solar water heater system required for new single-family residential construction** for this project and any proposed applications for a variance from this requirement.
10. Local experience indicates that Kona winds will result in odor from the WWTP south/southwest of the Project. Please explain the methodology of determining that odors from the WWTP would only be a minor issue, and who made that determination.
11. Page 139 of the DEA states, *"At build-out the average daily de facto population of the community will be some 418 fulltime residents. The cumulative resident household income during the first 10 years of occupancy will total \$70.4 million, and will stabilize at \$12.1 million annually thereafter."* Discuss why the Applicant believes such estimates of household income are important for this project review. Is an increase in median income anticipated? If so, will that increase be driven by an increase in wages of current residents, or new residents to the island? Does the Applicant believe this new income will be generated by off-island residents moving to Lanai? If the homes are for people who are already on Lanai, does it make sense to discuss the total household income of the community when potential tenants may just be moving from another part of town to this new rental project?
12. Further elaborate on water usage and provide data that shows the project's proposed water demand, plus the island's current water usage combined with the approved water allocation for entitled projects. Plot this data graphically against the threshold set by the Commission on Water Resource Management. This data should be shown in an easily read graphical format. Please state the level of approved water consumption where the need for a well on the windward side of

Mr. Buddy Almeida, Housing Administrator  
January 22, 2021  
Page 4

the island will be triggered in the context of the current level of approved water consumption.

13. Page 9 of the DEA states, "*The project also includes a one-acre park, a 1,500 square foot community center for use by the Lanai community, and 60-parking stalls for use by the Hokuao project residents.*" What are these 60 parking stalls for project residents intended to be used for? Are residents allowed to park extra vehicles in these stalls? Are these stalls to be used by residents when they are using the community center? Where are non-project residents to park when they make use of the community center?
14. Where are resident's guests to park when visiting? What provision for parking is made for residents who have more than two cars? Is there adequate off-street parking for additional cars for residents and/or visitors?

Thank you for the opportunity to comment on the preparation of the EA for the Hokuao 201H Residential Project. Should you require further clarification, please contact the Planning Department at [planning@mauicounty.gov](mailto:planning@mauicounty.gov) or at (808) 270-8205.

Sincerely,



MICHELE MCLEAN, AICP  
Planning Director

xc: Jordan E. Hart, Deputy Director (PDF)  
Clayton I. Yoshida, AICP, Planning Program Administrator (PDF)  
John S. Rapacz, Planning Program Administrator (PDF)  
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Peter Young, Consultant (PDF)  
Buddy Almeida, Housing Administrator, DHHC (PDF)  
LoriAnn Tshako, Director, DHHC (PDF)  
Karlynn Fukuda, President, Munekiyo Hiraga (PDF)  
Leilani Ramoran (PDF)  
Members of the Lanai Planning Commission (PDF) to be sent by Leilani Ramoran  
Project File

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K:\WP\_DOCS\Planning\EAC\2020\0015\_Hokuao201HHousing\LPC Hokuao 201H Comment Letter

## DOCUMENT 3

MICHAEL P. VICTORINO  
Mayor  
MICHELE CHOUTEAU MCLEAN, AICP  
Director  
JORDAN E. HART  
Deputy Director



**DEPARTMENT OF PLANNING**  
COUNTY OF MAUI  
ONE MAIN PLAZA  
2200 MAIN STREET, SUITE 315  
WAILUKU, MAUI, HAWAII 96793

April 1, 2021

Mr. Chris Sugidono, Senior Associate  
Munekiyo Hiraga  
305 High Street, Suite 104  
Wailuku, Hawaii 96793

Dear Mr. Sugidono:

**SUBJECT: REQUEST FOR COMMENTS REGARDING THE DRAFT APPLICATION FOR THE PROPOSED HOKUAO 201H-38 HOUSING PROJECT, LOCATED IN LANAI CITY, ISLAND OF LANAI, HAWAII; TMKS: (2) 4-9-002:61 (POR.), (2) 4-9-014:001 (POR.), AND (2) 4-9-014:009 (POR.) (RFC 2021/0042)**

The Department of Planning (Department) is in receipt of the draft application for the proposed Hokuao 201H-38 Residential Housing Project. The Department understands from the project summary that the Hokuao Housing Project comprises approximately 76 acres of land in Lanai City. Hokuao is proposed to be developed as an affordable housing project under the provisions of Hawaii Revised Statutes (HRS) Chapter 201H. The Hokuao project proposes: 150 single family homes (76 affordable homes for lease, 74 market rate homes for lease); lot sizes will be generally 8,000 square feet; and homes will reflect the existing design vernacular of Lanai City. Along the east edge bordering the school fields, the project provides a one-acre park, a 1,500 square foot community center for use by the Lanai community, and 60 parking stalls for use by the Hokuao project residents. An existing drainage swale on the western boundary carries storm water away from the existing town and community center. On the western flank, the project sets back from the existing wastewater treatment plant (WWTP) with a 600 foot buffer between the closest lot at the WWTP edge.

Further, the Department understands that the use of County lands for the relocation of existing sewer lines and improvements in the County right-of-way for Ninth and Twelfth Streets is the HRS 343 trigger for the preparation of an Environmental Assessment (EA). The approving agency for the EA is the Department of Housing and Human Concerns, County of Maui. The EA covers actions for the State Land Use Commission District Boundary Amendment review and the Maui County Council 201H affordable housing application review.

The Department offers the following comments, which it also transmitted to the Department of Housing and Human Concerns in its January 22, 2021, letter in response to a Request for Comment on the Draft EA. Furthermore, the Department is attaching a letter outlining comments from the Lanai Planning Commission on the proposed project. These comments were generated from a meeting held by the Commission on January 20, 2021. This letter is referenced as **Exhibit 1. Please address comments from both this letter and Exhibit 1 in the combined EA/201-H38 review.**

For reference, the Department's comments are as follows:

1. The Department notes split land use designations for the parcel with regards to County Community Plan designations and County Zoning. Please overlay the detailed project site plan on maps/diagrams showing each of these plan and zoning designations and the "splits" for the project site in the DEA.
2. The Applicant requests an exemption from Section 18.20.070 Maui County Code (MCC), Sidewalks. Many traffic-related tragedies, including those involving pedestrians, can be prevented by taking a proactive and preventive approach to roadway safety. In line with Vision Zero, Complete Street principles are also paramount to healthy and safe communities. Complete Streets are designed and operated to enable safe access for all users including pedestrians, bicyclists, motorists and transit riders (e.g. DOE, MEO) of all ages and abilities. Communities that are designed and constructed with these fundamental and critical planning principles provide for socially equitable, convenient, safe and healthy living opportunities for all residents. Statistics indicate that pedestrian and bicycle related fatalities and injuries occur on both urban and rural roadways and in some cases there are more pedestrian deaths in rural areas than in urban areas. Maui County is currently in the process of developing a Vision Zero Maui Action Plan, with input from the Vision Zero Advisory Group, community members and partners, to identify strategies that will eliminate preventable traffic deaths and injuries. In light of the foregoing, the Department asks the Applicant to consider dedicated pedestrian connectivity throughout the project via walkways/sidewalks made of grasscrete, asphalt or concrete that connect to the project entry main points. It is difficult to ascertain if such sidewalks are proposed within the project between dwellings.
3. A 1,500 square foot community center for use by the Lanai community and 60 parking spaces for use by the Hokuao project residents are proposed. Are there parking spaces dedicated for non-Hokuao residents who will be

using the community center? Please elaborate on the facilities inside the center and the process of administration and reservations for use.

4. The development proposes a reduction in the front yard setback to five feet from the normally required 15 feet in residential districts in order to expand the usable area of the back yard and to promote greater separation between houses. Please provide additional information on the promotion of a safe pedestrian experience and if a reduction to a five-foot front yard setback is a substantive benefit to the project and community, given that the lots average 8,000 square feet.
5. Evaluate the mix and location of market rate and affordable rate dwellings in order to prevent a segregation of units by rental price within the project.
6. Elaborate on the affordable rental rate program and how such a program will work if qualified affordable rental candidates cannot readily be found. Is there a tiered approach to rental similar to that in a for-purchase project? What priorities and procedures, if any, will be used to determine allocation of rental dwellings?
7. The community center and one-acre park should be completed prior to the occupancy of the first dwelling unit.
8. Provide adequate storage space on-site for lawn and other equipment to maintain the property.
9. Provide a detailed site plan showing trash enclosure areas, all 60 parking spaces available to project residents, sidewalks and connectivity patterns from Ninth and Twelfth Streets, proposed house types on each lot, architectural design of the community center, and proposed signage for the project.
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Mr. Chris Sugidono, Senior Associate

April 1, 2021

Page 4

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18. What is the proposal for project lighting, especially with regards to pedestrian safety and dark skies?
19. The landscaping plan should consider the incorporation and the use of grass swales or bio swales, tailored to native plants, to capture and naturally filter urban storm water runoff from the parking lot for the 60 vehicles.

Thank you for the opportunity to comment on the preparation of the DEA for the Hokuao 201H Residential Project. Should you require further clarification, please contact the Planning Department at [planning@mauicounty.gov](mailto:planning@mauicounty.gov) or at (808) 270-8205.

Sincerely,



For MICHELE MCLEAN, AICP  
Planning Director

Mr. Chris Sugidono, Senior Associate  
April 1, 2021  
Page 5

I. Exhibit 1: January 22, 2021, letter from Lanai Planning Commission on Draft EA

xc: Jordan E. Hart, Deputy Director (PDF)  
Clayton I. Yoshida, AICP, Planning Program Administrator (PDF)  
John S. Rapacz, Planning Program Administrator (PDF)  
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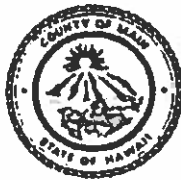
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hopes and expectations of community members that new housing projects would be available for fee simple ownership. Explain this shift to developing rental housing, rather than for-sale housing.

2. The LPC brought up a housing list which likely consists of people waiting for affordable housing. Will this list and names be used during the selection process for affordable rentals at this project? And if so, how would the list be used?
3. Part of the role of an EA is to explore alternatives to the project. While some discussion is noted in the DEA, the LPC would like to see alternative scenarios discussed as follows:
  - a. Analyze the alternative of developing a rent-to-own plan for some or the entire project.
  - b. Analyze the alternative of making this project a for sale affordable project.
  - c. Analyze the alternative of making some of the affordable homes "for sale" rather than only "for rent."
  - d. Analyze the alternative of making some of the affordable homes either a four or three bedroom dwelling, under for rent or for sale scenarios. None of the affordable homes are four bedrooms, yet many large families on Lanai are expected to be significantly under-housed due to the typical small size of dwelling units on the island of Lanai.
4. The LPC recognizes the legal and administrative challenges of targeting the affordable rental homes to specific groups such as teachers, nurses, long-time Lanai residents, longtime Lanai renters, small business owners, etc.; however, the LPC requests a discussion in the FEA of criteria for rental selection and methods that may be employed to assist in targeting this affordable rental community to high priority groups as previously mentioned. In particular, the LPC requests the Applicant clarify how this project will specifically support long-time Lanai residents/families who intend to live here long-term but have not been able to afford their own home. Please clarify the intent to whom this housing will be targeted, and the role Pulama Lanai will play in the renter selection process if any. Discuss potential lease terms for renters.
5. Please respond to the concern expressed that the proposed project would be used to house construction workers arriving from off-island for future projects, rather than for existing, qualifying residents in need of housing.
6. Clarify that Lanai Housing and Urban Development guidelines for affordable income limits for rental units will be employed for this project, recognizing the higher cost of living on Lanai. What are the target ranges of AMI to be considered for this project and associated rental rates?

7. Page 102 of the DEA states, *"Well 7 was drilled in 1987, it will be the water source for the Hokuao project. Well 7 is at ground level of 2,100 feet; the well depth is 1,650 feet. The well is expected to average sustainable pumping of 300,000 GPD; as noted in the following, the estimated water demand is lower than 121,700 GPD. The project fits within the Lanai WUDP. Well 7 has never been in regular use. Activating and using Well 7 has been identified as the planned source for domestic water needs at Hokuao 201H Housing Project."*

The LPC would like the FEA to describe the current status of Well 7, when the water was last tested at Well 7 and what the results were, and what the anticipated date of activation and use of Well 7 are.

8. Page 209 of the DEA states, *"Homes may include solar photovoltaic on-site generation with individual home battery."* Who would pay for such an installation on rental units? How would energy savings be passed through to the renter? What criteria would be used to determine which units could have PV installed?
9. Discuss the applicability of HRS §196-6.5 Solar water heater system required for new single-family residential construction for this project and any proposed applications for a variance from this requirement.
10. Local experience indicates that Kona winds will result in odor from the WWTP south/southwest of the Project. Please explain the methodology of determining that odors from the WWTP would only be a minor issue, and who made that determination.
11. Page 139 of the DEA states, *"At build-out the average daily de facto population of the community will be some 418 fulltime residents. The cumulative resident household income during the first 10 years of occupancy will total \$70.4 million, and will stabilize at \$12.1 million annually thereafter."* Discuss why the Applicant believes such estimates of household income are important for this project review. Is an increase in median income anticipated? If so, will that increase be driven by an increase in wages of current residents, or new residents to the island? Does the Applicant believe this new income will be generated by off-island residents moving to Lanai? If the homes are for people who are already on Lanai, does it make sense to discuss the total household income of the community when potential tenants may just be moving from another part of town to this new rental project?
12. Further elaborate on water usage and provide data that shows the project's proposed water demand, plus the island's current water usage combined with the approved water allocation for entitled projects. Plot this data graphically against the threshold set by the Commission on Water Resource Management. This data should be shown in an easily read graphical format. Please state the level of approved water consumption where the need for a well on the windward side of

Mr. Buddy Almeida, Housing Administrator  
January 22, 2021  
Page 4

the island will be triggered in the context of the current level of approved water consumption.

13. Page 9 of the DEA states, "*The project also includes a one-acre park, a 1,500 square foot community center for use by the Lanai community, and 60-parking stalls for use by the Hokuao project residents.*" What are these 60 parking stalls for project residents intended to be used for? Are residents allowed to park extra vehicles in these stalls? Are these stalls to be used by residents when they are using the community center? Where are non-project residents to park when they make use of the community center?
14. Where are resident's guests to park when visiting? What provision for parking is made for residents who have more than two cars? Is there adequate off-street parking for additional cars for residents and/or visitors?

Thank you for the opportunity to comment on the preparation of the EA for the Hokuao 201H Residential Project. Should you require further clarification, please contact the Planning Department at [planning@mauicounty.gov](mailto:planning@mauicounty.gov) or at (808) 270-8205.

Sincerely,



MICHELE MCLEAN, AICP  
Planning Director

xc: Jordan E. Hart, Deputy Director (PDF)  
Clayton I. Yoshida, AICP, Planning Program Administrator (PDF)  
John S. Rapacz, Planning Program Administrator (PDF)  
Kurt F. Wollenhaupt, Planner (PDF)  
Kathleen Aoki, Planning Program Manager (PDF)  
Pam Eaton, Planning Program Administrator (PDF)  
Paul Critchlow, Staff Planner (PDF)  
Keiki-Pua Dancil, Pulama Lanai (PDF)  
Peter Young, Consultant (PDF)  
Buddy Almeida, Housing Administrator, DHHC (PDF)  
LoriAnn Tsubako, Director, DHHC (PDF)  
Karlynn Fukuda, President, Munekiyo Hiraga (PDF)  
Leilani Ramoran (PDF)  
Members of the Lanai Planning Commission (PDF) to be sent by Leilani Ramoran  
Project File

MCM:KFW:lp

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## DOCUMENT 4

21/3226



**MUNEKIYO HIRAGA**

Planning. Project Management. Sustainable Solutions.

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21 JUL 2021 3:13

Karlynn K. Fukuda  
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Michael T. Munekiyo  
SENIOR ADVISOR

COUNTY OF MAUI  
DEPT OF PLANNING

July 16, 2021

Michele McLean, Planning Director  
County of Maui  
Department of Planning  
2200 Main Street, Suite 315  
Wailuku, Hawai'i 96793

**SUBJECT:** Draft 201H-38 Hawaii Revised Statutes Application for proposed Hōkūao 201H Housing Project at TMKs (2)4-9-002:061 (POR.), (2)4-9-014:001 (POR.) and 009 (POR.), Lāna'i City, Hawai'i.

Dear Ms. McLean:

Thank for your letter dated April 1, 2021, on the subject project. On behalf of Lanai Resorts, LLC, a Hawai'i limited liability company doing business as Pūlama Lāna'i, we are providing responses in the attached **Exhibit "A", Exhibit "B", and Exhibit "C"**. The responses follow in the order of the comments in your letter. We note that the comments provided were similar to the comments provided on the Draft Environmental Assessment (EA) document. As such, the attached exhibits are the responses to the Department's and Lāna'i Planning Commission's Draft EA comments.

We appreciate your input and will include a copy of your comment letter and this response in the final 201H-38 Hawai'i Revised Statutes Application. Should you have any questions or require further information regarding the proposed action, please contact me at (808) 244-2015, extension 221.

Very truly yours,

Chris Sugidono  
Senior Associate

CEJS:ab  
Attachments

Cc: Buddy Almeida, County of Maui, Department of Housing and Human Concerns (w/attachments)  
Keiki-Pua Dancil, Pūlama Lāna'i (w/attachments)

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# Exhibit "A"

County of Maui, Planning Department

Response to Draft 201H-38 Comments

**Comment 01:** The Department notes split land use designations for the parcel with regards to County Community Plan designations and County Zoning. Please overlay the detailed project site plan on maps/diagrams showing each of these plan and zoning designations and the "splits" for the project site in the DEA.

## **Response 01:**

Although the comment is not within the scope of the draft Environmental Assessment (DEA), the applicant recognizes the comment regarding the request and will provide the Department with information in Exhibit "B". The following table is provided to assist in the "splits."

TMK No.	Zoning: Community Plan	Zoning: County
[2] 4-9-002:061 (por)	Park	AG Agriculture
[2] 4-9-014:001 (por)	Park	Interim
	Public/ Quasi-public	Interim
	Mixed-Use Residential	Interim
	Open Space	Road
	Park	Road
		Road
[2] 4-9-014:009 (por)	Open Space	OS 2 Active Open Space
	Public/ Quasi-public	OS Open Space
	Park	OS Open Space

**Comment 02:** The Applicant requests an exemption from Section 18.20.070 Maui County Code (MCC), Sidewalks. Many traffic-related tragedies, including those involving pedestrians, can be prevented by taking a proactive and preventive approach to roadway safety. In line with Vision Zero, Complete Street principles are also paramount to healthy and safe communities. Complete Streets are designed and operated to enable safe access for all users including pedestrians, bicyclists, motorists and transit riders (e.g. DOE, MEO) of all ages and abilities. Communities that are designed and constructed with these fundamental and critical planning principles provide for socially equitable, convenient, safe and healthy living opportunities for all residents. Statistics indicate that pedestrian and bicycle related fatalities and injuries occur on both urban and rural roadways and in some cases there are more pedestrian deaths in rural areas than in urban areas. Maui County is currently in the process of developing a Vision Zero Maui Action Plan, with input from the Vision Zero Advisory Group, community members and partners, to identify strategies that will eliminate preventable traffic deaths and injuries. In light of the foregoing, the Department asks the Applicant to consider dedicated pedestrian connectivity throughout the project via walkways/sidewalks made of grasscrete, asphalt or concrete that connect to the project entry main points. It is difficult to ascertain if such sidewalks are proposed within the project between dwellings.

# Exhibit "A"

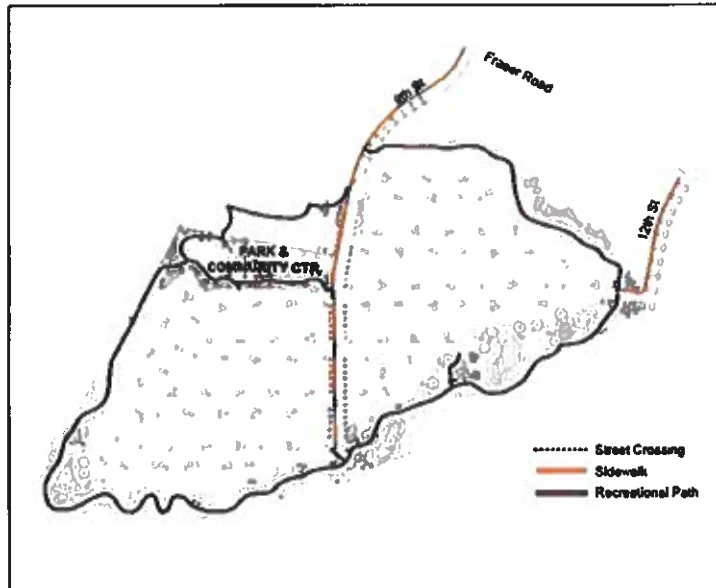
County of Maui, Planning Department

Response to Draft 201H-38 Comments

## Response 02:

On page 14 in the Draft Environmental Assessment ("DEA"), there is a discussion about the master planning for the Hōkūāo 201H Housing Project, which highlights the pedestrian connectivity throughout the the Hōkūāo 201H Housing Project. (See Figure 1).

- Along Ninth Street (extension), one of the primary ingress/egress roads, there will be curb/gutter and pedestrian sidewalks connecting the the Hōkūāo 201H Housing Project to Lāna'i City.
  - The extension will have no parking signs along both sides for the first 250 feet.
  - The Ninth Street (extension) sidewalk will start at Fraser Avenue being 5.5 feet wide, then after the first 250 feet, it will be 7.5 feet wide, then go to 8 feet wide to the end of the roadway.
- The Twelfth Street (extension), the other primary ingress/egress road, sidewalk will be 8 feet wide throughout.



**Figure 1:** Sidewalk and Recreational path diagram for the Hōkūāo 201H Housing Project (see legend).

**Comment 03:** A 1,500 square foot community center for use by the Lanai community and 60 parking spaces for use by the Hokuao project residents are proposed. Are there parking spaces dedicated for non-Hokuao residents who will be using the community center? Please elaborate on the facilities inside the center and the process of administration and reservations for use.

## Response 03:

Although the comment is not within the scope of the draft Environmental Assessment ("DEA"), the applicant recognizes the comment regarding the parking stalls located near the community center, details regarding facilities inside the center, and the process of administration and reservation for use.

The parking lot is intended to be used by community members (residents of Hōkūāo and non-residents of Hōkūāo) when visiting the community center or park.



## Exhibit "A"

County of Maui, Planning Department

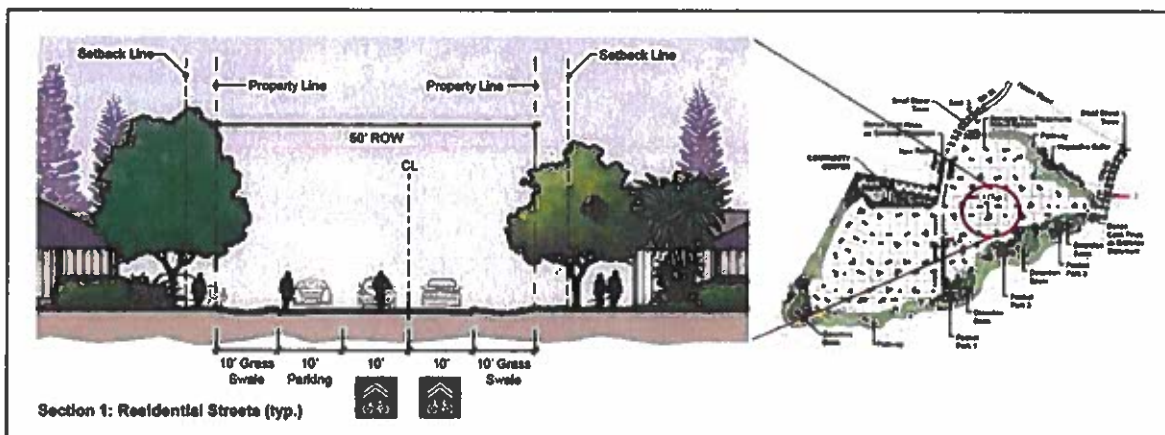
Response to Draft 201H-38 Comments

The detailed design of the community center has not been finalized. The process of administration and reservation for use will be managed by Pūlama Lāna'i, this process has not been finalized as well.

**Comment 04:** The development proposes a reduction in the front-yard setback to five feet from the normally required 15 feet in residential districts in order to expand the usable area of the back yard and to promote greater separation between houses. Please provide additional information on the promotion of a safe pedestrian experience and if a reduction to a five-foot front yard setback is a substantive benefit to the project and community, given that the lots average 8,000 square feet.

**Response 04:**

See response to Comment 02. In addition, see the graphic below of streetscape renderings of a "typical" residential street. (See Figure 2).



**Figure 2:** The graphic on the left is a "typical" streetscape in the residential streets, the graphic on the right shows you where this typical street is located within the Hōkūāo 201H Residential Project.

**Comment 05:** Evaluate the mix and location of market rate and affordable rate dwellings in order to prevent a segregation of units by rental price within the project.

**Response 05:**

The Hōkūāo 201H Housing Project is compliant to the 201H guidelines, at least 51% of the proposed units would be rented at affordable rates as outlined by the County guidelines for Lāna'i. In the DEA on page 29, the project site plan is shown (conceptual lot plan). The market units surround the perimeter of the project and the affordable units comprise the center of the project site. There is no segregation of units by rental price within the project. (See Figure 3). Additionally, the affordable units and 2 bedroom market units are proposed to utilize the same plans and would therefore, be indistinguishable.

# Exhibit "A"

County of Maui, Planning Department

Response to Draft 201H-38 Comments

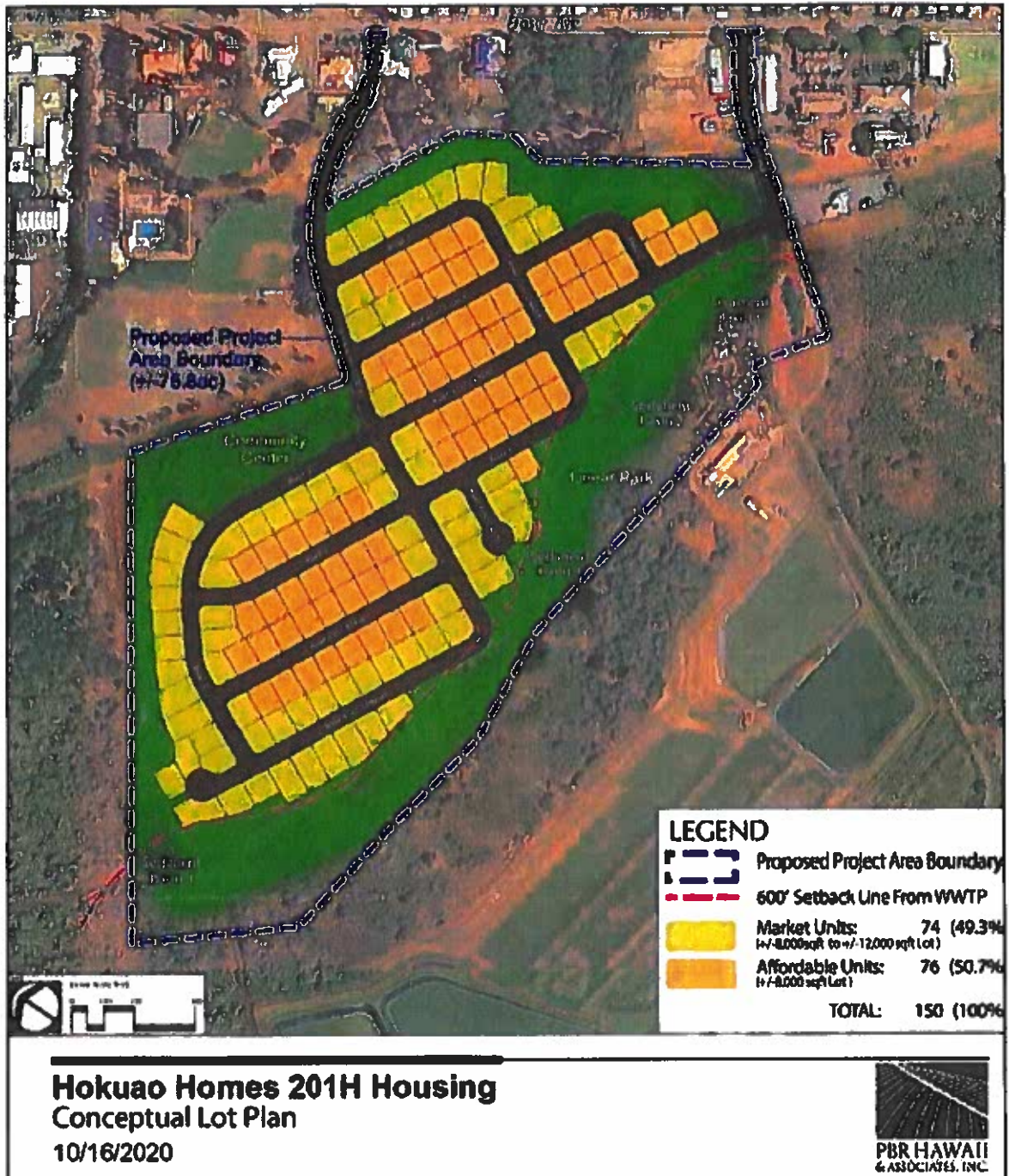


Figure 3: Market units are identified as "neon" green on the perimeter of the site plan and affordable units are identified as "orange" in the interior of the site plan.

# Exhibit “A”

County of Maui, Planning Department

Response to Draft 201H-38 Comments

**Comment 06:** Elaborate on the affordable rental rate program and how such a program will work if qualified affordable rental candidates cannot readily be found. Is there a tiered approach to rental similar to that in a for-purchase project? What priorities and procedures, if any, will be used to determine allocation of rental dwellings?

**Response 06:**

Although the comment is not within the scope of the Draft Environmental Assessment (“DEA”), the applicant recognizes the comment regarding the affordable rental program. Several community meetings<sup>1</sup> and smaller focus group meetings, facilitated by the applicant, have occurred regarding the Hōkūāo 201H Housing Project over the last five years. The applicant evaluated many factors, including but not limited to comments and feedback received from the community, completed studies, laws, and current market conditions<sup>2</sup> in the design and offering for the Hōkūāo 201H Housing Project. The applicant’s proposed project is the collective outcome of these considerations.

The applicant manages many rental units for the workforce on Lāna‘i. The Hōkūāo 201H Housing Project will add an additional 150 units, which is needed on the island. The applicant has visibility into the workforce on Lāna‘i (demand) and is confident that there will be qualified candidates for the affordable units. The applicant has not finalized the rental application process at this time.

---

**Comment 07:** The community center and one-acre park should be completed prior to the occupancy of the first dwelling unit.

**Response 07:**

Although the comment is not within the scope of the Draft Environmental Assessment (“DEA”), the applicant recognizes the comment regarding schedule and timing for building the community center and one-acre park relative to the occupancy of the first dwelling unit.

---

**Comment 08:** Provide adequate storage space on-site for lawn and other equipment to maintain the property.

**Response 08:**

Although the comment is not within the scope of the Draft Environmental Assessment (“DEA”), the applicant recognizes the comment regarding the request to provide adequate storage space on-site for lawn and other equipment to maintain the property.

---

<sup>1</sup> Pūlama Lāna‘i Community Information Meetings 01AUG16 (Former DHHC Director Carol Reinmann was an invited guest presenter), 12NOV18, and 22FEB21.

<sup>2</sup> Global pandemic, the impact of the Coronavirus has affected the world, including Lāna‘i.

# Exhibit “A”

County of Maui, Planning Department

Response to Draft 201H-38 Comments

**Comment 09:** Provide a detailed site plan showing trash enclosure areas, all 60 parking spaces available to project residents, sidewalks and connectivity patterns from Ninth and Twelfth Streets, proposed house types on each lot, architectural design of the community center, and proposed signage for the project.

**Response 09:**

Although the comment is not within the scope of the Draft Environmental Assessment (“DEA”), the applicant recognizes the comment.

In the DEA the following illustrations can be located:

- Page 20: conceptual architectural drawings of the site plan, front elevation, and side elevation for the two bedroom home
- Page 21: conceptual architectural drawings of the site plan, front elevation, and side elevation for the four bedroom home
- Page 28: sample landscape plan outlining the connectivity of Ninth and Twelfth Street from Fraser Avenue to the proposed project
- Page 69: conceptual rendering of site plan of two bedroom row of homes
- Page 70: conceptual rendering of site plan of four bedroom cul-de-sac of homes

The detailed design of the community center and associated parking lot has not been finalized. Conceptual drawings of the landscape plan show the general location of the community center and associated parking on page 68 of the DEA.

The proposed signage for the project has not been finalized. The applicant will comply with regulations in the Maui County Code regarding signage.

---

**Comment 10:** Do the units include a washer and dryer? If not, the Applicant should consider an onsite laundry facility for its residents (similar to Lahaina Surf, Front Street Apartments, Hale Mahaolu Kulamalu, Luana Gardens, etc.).

**Response 10:**

Although the comment is not within the scope of the Draft Environmental Assessment (“DEA”), the applicant recognizes the comment regarding inclusion of a washer and dryer or on-site laundry facilities.

The homes will include a washer and dryer.

# Exhibit “A”

County of Maui, Planning Department

Response to Draft 201H-38 Comments

**Comment 11:** The Department is concerned about the project's proximity to the WWTP and requests the Applicant to assess wind patterns and smells with regards to the project location. Are there alternative site plans to reduce this possible nuisance?

**Response 11:**

**Site selection**

The project location was selected due to the proximity to Lānaʻi City (extension of the City) and community amenities (e.g., school, market, businesses, etc.). It is close enough that future residents of the Hōkūāo 201H Housing Project could walk to these establishments.

**Proximity to the Wastewater Treatment Plant (“WWTP”)**

Exhibit D and Section 4.12 Air Quality (starting on page 152) of the DEA includes an extensive discussion regarding the air quality impacts of the project area. A study by B.D. Neal & Associates, included as Exhibit D, described the methodology and findings of potential short and long term air quality impacts that could occur as a result of construction and use of the proposed development and suggested mitigation measures to reduce any potential air quality impacts where possible and appropriate. Potential impacts on the proposed development from the nearby wastewater treatment facility (aka WWTP) was also evaluated. The study utilized both national and state ambient air quality standards (“AAQS”).<sup>3</sup>

As detailed in Section 8 in Exhibit D, generally WWTPs are not considered significant sources of air pollution, but they can result in the release of small amounts of airborne odorous compounds.<sup>4</sup> It is further stated that these types and compounds in the air are generally not considered hazardous to human health, but when they occur in high concentrations at offsite locations, they can be detected by smell and potentially constitute a nuisance for nearby residents and businesses.

A study was conducted and described in Section 8. Hydrogen sulfide measurements were collected, there were no measurable hydrogen sulfide concentrations at any location along the plant perimeter. It was recommended by the consultant that it would be prudent for the proposed project to maintain a buffer distance at least 300 to 600 feet from the WWTP boundary.<sup>5</sup> The Hōkūāo 201H Housing Project implemented the maximum recommendation buffer of 600 feet from the WWTP boundary (see Figure 4).

---

<sup>3</sup> National AAQS are specified in Section 40, Part 50 of the Code of Federal Regulations, while State of Hawaii AAQS are defined in Chapter 11-59 of the Hawaii Administrative Rules. Table 1 in Exhibit D summarizes the standards.

<sup>4</sup> Exhibit D Section 8 Waste Water Treatment Plant

<sup>5</sup> Exhibit D Section 9 Conclusions and Recommendations



# Exhibit "A"

County of Maui, Planning Department

Response to Draft 201H-38 Comments

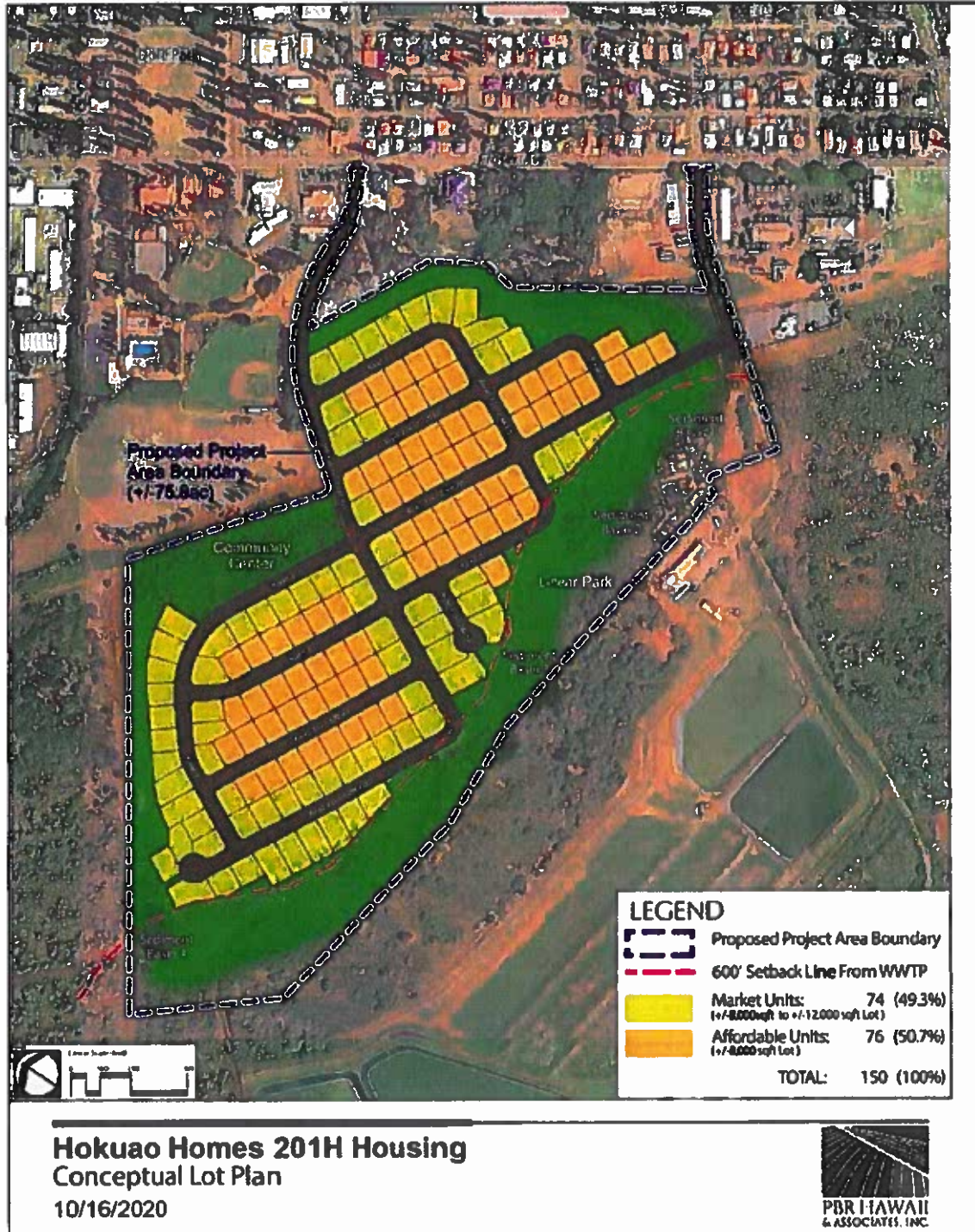


Figure 4: Dotted red line depicts the 600 foot setback line from the WWTP.

# Exhibit “A”

County of Maui, Planning Department

Response to Draft 201H-38 Comments

**Comment 12:** Estimates of project absorption run into eight years in the future, depending upon the timeline of other residential project buildouts on Lanai. As the Draft EA anticipates the 76 rental workforce homes will be oversubscribed, discuss the merits and concerns about increasing the ratio of affordable to market rate rentals for the project.

## Response 12:

Although the comment is not within the scope of the Draft Environmental Assessment (“DEA”), the applicant recognizes the comment increasing the ratio of affordable to market rate rentals. Several community meetings<sup>6</sup> and smaller focus group meetings, facilitated by the applicant, have occurred regarding the Hōkūāo 201H Housing Project over the last five years. The applicant has evaluated many factors, including but not limited to comments and feedback received from the community, completed studies, laws, and current market conditions<sup>7</sup> in the design and offering for the Hōkūāo 201H Housing Project. The applicant’s proposed project is the collective outcome of these considerations.

According to the 2019 American Community Survey,<sup>8</sup> Lānaʻi has the lowest poverty rate in the County (see Figure 5). The applicant also has visibility into the income of their workforce. The applicant is concerned that the homes in the affordable category will sit empty if the ratio is increased to a higher proportion, due to income qualifications. Lānaʻi is different than Maui. The main issue is the lack of inventory, not necessarily the “affordability” of homes. On Lānaʻi, multi-generations live in one home because there is a lack of inventory, not because they cannot afford to relocate. As stated above, the applicant’s proposed project, including the current ratio of affordable to market units, is the collective outcome of many considerations.

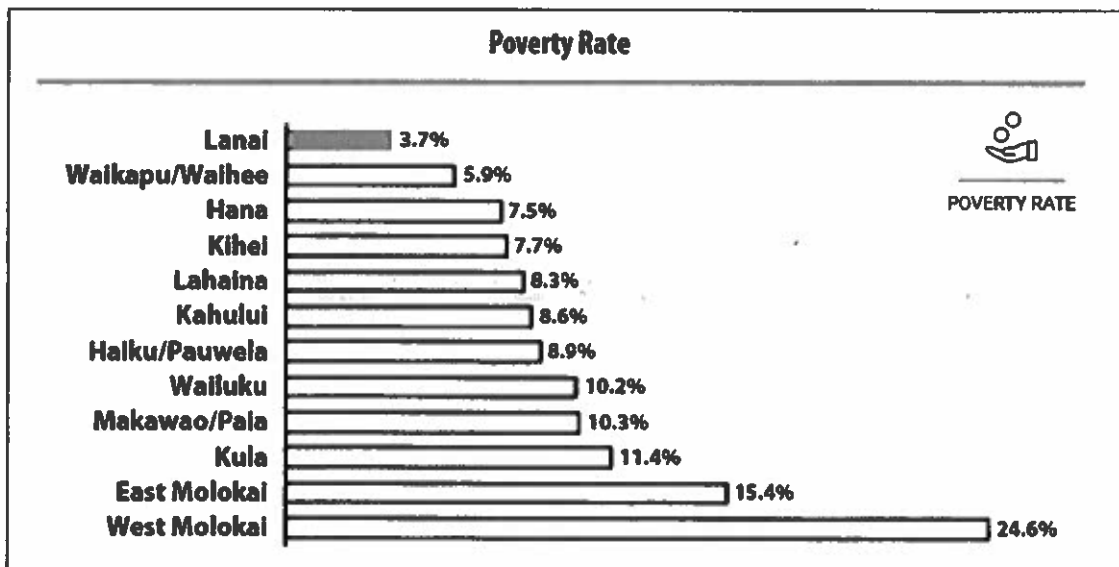


Figure 5: Poverty rate for Maui County according to 2019 American Community Survey.

<sup>6</sup> Pūlama Lānaʻi Community Information Meetings 01AUG16 (Former DHHC Director Carol Reinmann was an invited guest presenter), 12NOV18, and 22FEB21.

<sup>7</sup> Global pandemic, the impact of the Coronavirus has affected the world, including Lānaʻi.

<sup>8</sup> Data downloaded on 16JAN21 from <https://data.census.gov>, 2019 American Community Survey

## Exhibit “A”

County of Maui, Planning Department

Response to Draft 201H-38 Comments

**Comment 13:** Good design is always critical, especially in affordable communities. Provide a series of streetscapes that demonstrates the look of homes along a typical street section. The Department requests that multiple dwelling elevations be mixed throughout the community to enhance visual interest.

**Response 13:**

Although the comment is not within the scope of the Draft Environmental Assessment (“DEA”), the applicant recognizes the comment.

In the DEA the following illustrations can be located:

- Page 69: conceptual rendering of site plan of two bedroom row of homes
- Page 70: conceptual rendering of site plan of four bedroom cul-de-sac of homes

In addition, see Figure 6 for an illustrative rendering of a street view of two bedroom homes. The homes are similar in vernacular to the Lānaʻi City homes.



**Figure 6:** Illustrative street view on the corner of 9<sup>th</sup> Street and a row (depicted as red in the site plan located in the bottom right of Figure).



# Exhibit “A”

County of Maui, Planning Department

Response to Draft 201H-38 Comments

**Comment 14:** Discuss the pros and cons of adding carports to the homes with slab parking and whether such carports could be used for the installation of photovoltaic panels.

**Response 14:**

Although the comment is not within the scope of the Draft Environmental Assessment (“DEA”), the applicant recognizes the comment regarding adding carports to the homes to support the installation of photovoltaic panels.

There are multiple references regarding solar energy production on-site, including home battery storage, for the homes in the Draft Environmental Assessment (“DEA”).<sup>9</sup> The applicant is also evaluating the potential to install a solar roof on the homes, which would include a battery energy storage system. The applicant believes that this is the better option for on-site renewable energy.

---

**Comment 15:** Discuss installing photovoltaic panels on the roofs of the project houses to help offset energy demands and costs.

**Response to 15:**

See response to Comment 14.

---

**Comment 16:** Are there fence separations between homes on the side and backyards? If so what materials will be used for these fences?

**Response 16:**

Although the comment is not within the scope of the Draft Environmental Assessment (“DEA”), the applicant recognizes the comment regarding fencing between homes on the side and backyards.

The applicant has not finalized the detailed site plan at this time. Should fencing be installed, the applicant will comply with rules and regulations regarding the installation and construction of fencing.

---

**Comment 17:** Landscaping is frequently difficult to maintain. How will lawn maintenance and landscaping be done? Will individuals be able to personalize their dwellings with plantings?

**Response 17:**

Although the comment is not within the scope of the Draft Environmental Assessment (“DEA”), the applicant recognizes the comment landscaping on each home site.

The rental agreements and homeowners association documents have not been finalized, details regarding landscaping and maintenance will be included in the aforementioned documents and agreements.

---

<sup>9</sup> DEA Pages 191, 209, Exhibit D Page 27, and Exhibit F Page 15.

# Exhibit "A"

County of Maui, Planning Department

Response to Draft 201H-38 Comments

**Comment 18:** What is the proposal for project lighting especially with regards to pedestrian safety and dark skies?

**Response 18:**

Although the comment is not within the scope of the Draft Environmental Assessment ("DEA"), the applicant recognizes the comment regarding lighting with regards to pedestrian safety and dark skies.

Upon approval, the applicant will comply with all rules and regulations regarding lighting and dark skies.

**Comment 19:** The landscaping plan should consider the incorporation and the use of grass swales or bio swales tailored to native plants, to capture and naturally filter urban storm water runoff from the parking lot for the 60 vehicles

**Response 19:**

Although the comment is not within the scope of the Draft Environmental Assessment ("DEA"), the applicant recognizes the comment regarding the landscaping plan for the community center parking lot.

See response to Comment 02.

In addition, there are multiple references to the use of grass swales in the DEA. Regarding drainage, see section 4.6.2 on page 87-89, the discussion includes grass swales.

Also on page 28 of the DEA, there are multiple detention basins and references to native species in the proposed landscape plan. See Figure 7, included here for visual convenience.

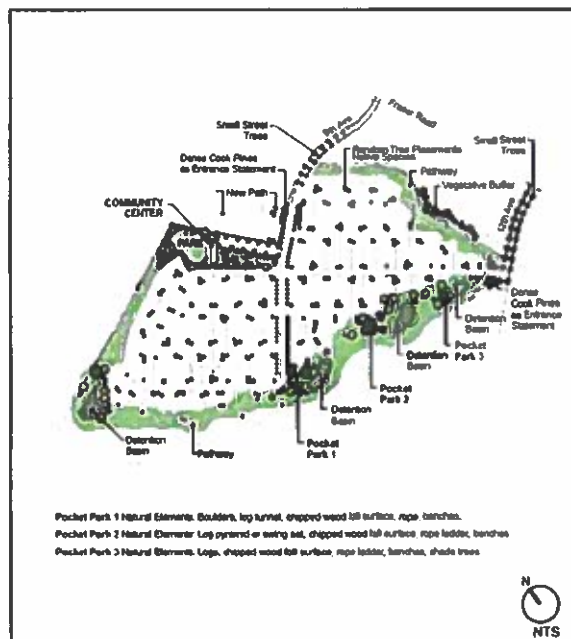


Figure 7: Conceptual Landscape Plan included in DEA.

# Exhibit "B"

County of Maui, Planning Department

Response to Draft 201H-38 Comments

## Lāna'i Community Plan with Hōkūao 201H Residential Project



2/25/2021, 9:07:53 PM

Hokua Project Boundary for GIS 2 - Project Boundary

Community Plan Authoritative

Agriculture

Commercial

Hotel

Light Industrial

Mixed-Use Residential

Multi-Family

Open Space

Park

Park-Golf Course

Project District

Public/Quasi Public

Road

Single Family

State Land Use Conservation

1:11,048

0 0.1 0.2 0.4 mi  
0 0.17 0.35 0.7 km

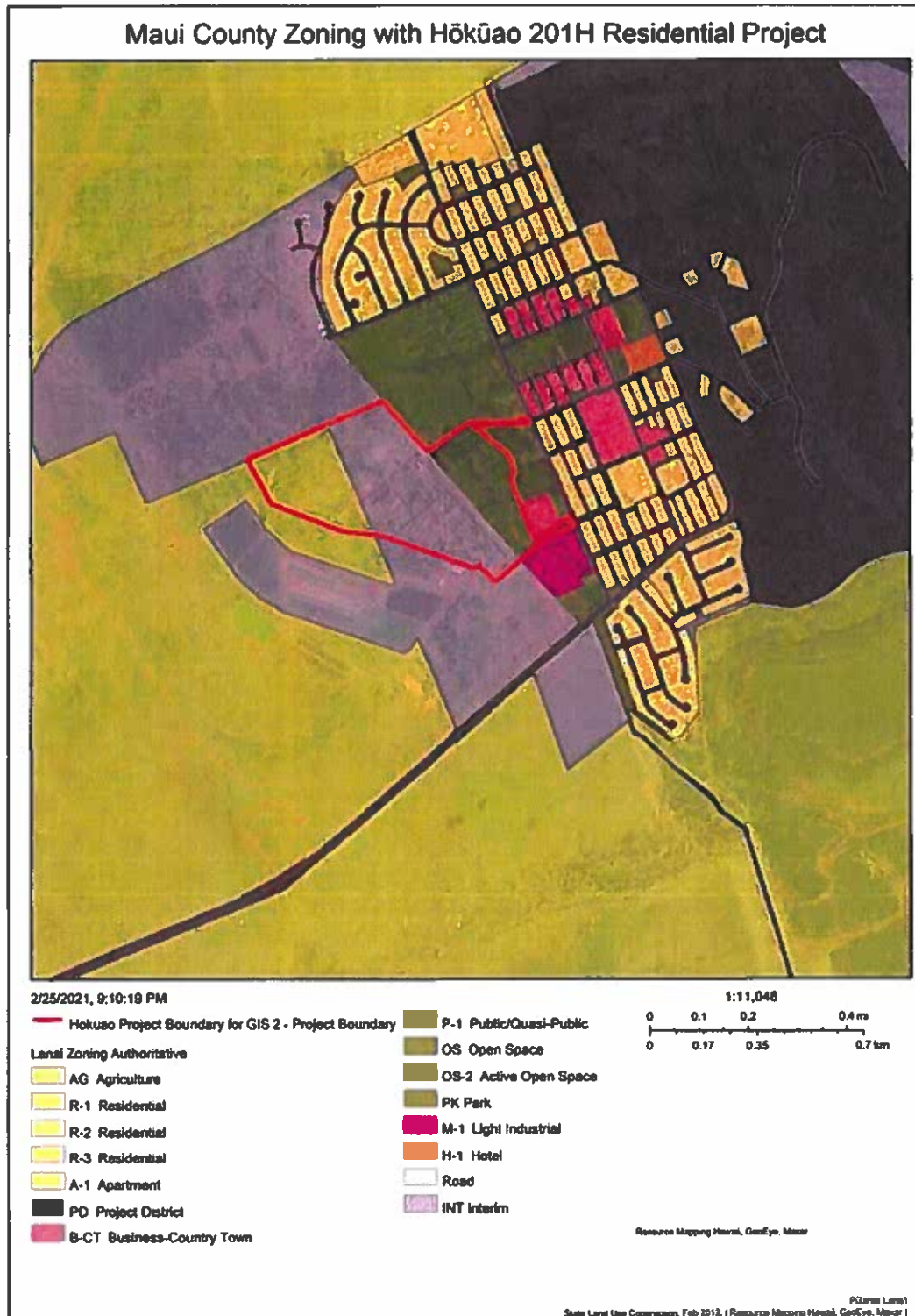
Resource Mapping Hawaii, GeoEye, Mapbox

State Land Use Commission, Feb 2012. [Resource Mapping Hawaii, GeoEye, Mapbox]  
Pāhala Lāna'i

# Exhibit "B"

County of Maui, Planning Department

Response to Draft 201H-38 Comments



# Exhibit “C”

## County of Maui, Planning Department

## Response to Draft 201H-38 Comments

The applicant recognizes that the Maui County Planning Department solicited feedback from the Lānaʻi Planning Commission (“LPC”) on the Draft Environmental Assessment (“DEA”).<sup>10</sup> The applicant appreciates the time that the LPC spent on soliciting feedback from residents. The comments below do not represent the comments on the project from the public at the January 20, 2021 LPC meeting, and the applicant would like to recognize those comments by referencing the seven (7) letters of written support<sup>11</sup> and ten (10) residents that provided oral testimony in support of the project.<sup>12</sup>

**Comment 01:** The LPC requests that the Applicant explain why the focus on providing affordable housing to the Lanai community appears to have shifted from a for-sale model to this 100% rental community, as was described in prior community meetings and in appendices of the DEA. Although the Commission recognizes the urgent need for housing on Lanai and supports a range of residential products, it recognizes the hopes and expectations of community members that new housing projects would be available for fee simple ownership. Explain this shift to developing rental housing, rather than for-sale housing.

### **Response 01:**

Although the comment is not within the scope of the Draft Environmental Assessment (“DEA”), the applicant recognizes the comment regarding the adjustment from a for sale model to a rental product. Several community meetings<sup>13</sup> and smaller focus group meetings, facilitated by the applicant, have occurred regarding the Hōkūao 201H Housing Project over the last five years. The applicant has evaluated many factors, including but not limited to comments and feedback received from the community, completed studies, laws, and current market conditions<sup>14</sup> in the design and offering for the Hōkūao 201H Housing Project. The applicant’s proposed project is the collective outcome of these considerations.

Affordable housing is needed on Lānaʻi, and this topic has been discussed at numerous venues for over several decades. The Hōkūao 201H Housing Project is a complement to other residential housing projects, such as the proposed Lānaʻi City Maui County Affordable Housing Project (“County Project”)<sup>15 16 17 18</sup> and the future residential development for the State of Hawaiʻi Department of Hawaiian Home Lands (“DHHL”).

According to news reports,<sup>19</sup> the infrastructure cost impeded the progress of the County Project (e.g., land locked and far from current infrastructure). The Hōkūao 201H Housing Project is sited adjacent to the County Project (See Figure 1). Completing the Hōkūao 201H Housing Project would bring the infrastructure closer to the property line of the proposed County Project site. This could bring down the cost of the infrastructure of the County Project (e.g., shorten the distance to install new infrastructure).

<sup>10</sup> Agenda Item C1 on January 20, 2021: <https://www.mauicounty.gov/ArchiveCenter/ViewFile/Item/27895>

<sup>11</sup> Written testimony on Item C1 on January 20, 2021:

[https://www.mauicounty.gov/DocumentCenter/View/125526/012021\\_Testimony-Combined-1-13?bld=1](https://www.mauicounty.gov/DocumentCenter/View/125526/012021_Testimony-Combined-1-13?bld=1)

<sup>12</sup> Public testimony on Item C1 on January 20, 2021 on pages 12 to 20 of the LPC minutes

<https://www.mauicounty.gov/ArchiveCenter/ViewFile/Item/27988>

<sup>13</sup> Pūlama Lānaʻi Community Information Meetings 01AUG16 (Former DHHC Director Carol Reinmann was an invited guest presenter), 12NOV18, and 22FEB21.

<sup>14</sup> Global pandemic, the impact of the Coronavirus has affected the world, including Lānaʻi.

<sup>15</sup> <https://www.mauicounty.gov/DocumentCenter/View/8995/Lanai-City-Affordable-Housing-Project-Power-Point?bld=1>

<sup>16</sup> <http://mauicounty.us/wp-content/uploads/2018/02/Maui-Affordable-Housing-Implementation-Plan-FINAL.pdf> (pages 106 - 108)

<sup>17</sup> <https://www.hawaiinewsnow.com/story/30613200/affordable-housing-project-stalls-on-lanai/>

<sup>18</sup> <https://www.mauinews.com/news/local-news/2015/10/lanai-residents-grill-arakawa-on-stalled-affordable-housing-project/>

<sup>19</sup> Ibid



## Exhibit “C”

County of Maui, Planning Department

Response to Draft 201H-38 Comments



**Figure 8:** Aerial map from Google Earth of Lānaʻi City with red outline for the Hōkūāeo 201H Residential project, yellow outlines identified here for the County Project, future school expansion, and DHHL future residential development.

**Comment 02:** The LPC brought up a housing list which likely consists of people waiting for affordable housing. Will this list and names be used during the selection process for affordable rentals at this project? And if so, how would the list be used?

**Response 02:**

Although the comment is not within the scope of the Draft Environmental Assessment (“DEA”), the applicant recognizes the comment regarding the rental application process and a possible “waitlist.”

The applicant is working on the details regarding the qualification, verification, and rental application process for the affordable homes. Should this project receive approvals from the County Council and State Land Use Commission, the details will be finalized and shared with the community on Lānaʻi.

The applicant does not maintain a waitlist for existing market rate rental inventory.

# Exhibit “C”

County of Maui, Planning Department

Response to Draft 201H-38 Comments

**Comment 03:** Part of the role of an EA is to explore alternatives to the project. While some discussion is noted in the DEA, the LPC would like to see alternative scenarios discussed as follows:

- Analyze the alternative of developing a rent-to-own plan for some or the entire project.
- Analyze the alternative of making this project a for sale affordable project.
- Analyze the alternative of making some of the affordable homes "for sale" rather than only "for rent."
- Analyze the alternative of making some of the affordable homes either a four or three bedroom dwelling, under for rent or for sale scenarios. None of the affordable homes are four bedrooms, yet many large families on Lanai are expected to be significantly under-housed due to the typical small size of dwelling units on the island of Lanai.

## **Response 03:**

Although the comment is not within the scope of the draft Environmental Assessment ("DEA"), the applicant recognizes the comment of exploring alternatives regarding the product offering. Several community meetings<sup>20</sup> and smaller focus group meetings have occurred regarding the Hōkūao 201H Housing Project over the last five years. The applicant has evaluated many factors, included but not limited to comments and feedback, completed studies, laws, and current market conditions<sup>21</sup> in the design and offering for the Hōkūao 201H Housing Project. The applicant's proposed project is the collective outcome of these considerations.

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**Comment 04:** The LPC recognizes the legal and administrative challenges of targeting the affordable rental homes to specific groups such as teachers, nurses, long-time Lanai residents, longtime Lanai renters, small business owners, etc.; however, the LPC requests a discussion in the FEA of criteria for rental selection and methods that may be employed to assist in targeting this affordable rental community to high priority groups as previously mentioned. In particular, the LPC requests the Applicant clarify how this project will specifically support long-time Lanai residents/families who intend to live here long-term but have not been able to afford their own home. Please clarify the intent to whom this housing will be targeted, and the role Pulama Lanai will play in the renter selection process if any. Discuss potential lease terms for renters.

## **Response 04:**

Although the comment is not within the scope of the draft Environmental Assessment ("DEA"), the applicant recognizes the comment of the application selection process.

The applicant is working on the details regarding the application process for the affordable homes and will coordinate with DHHC on the details of said process. Should this project receive approvals from the County Council and State Land Use Commission, the details will be finalized and shared with the community on Lānaʻi.

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<sup>20</sup> Pūlama Lānaʻi Community Information Meetings 01AUG16 (Former DHHC Director Carol Reinmann was an invited guest presenter), 12NOV18, and 22FEB21.

<sup>21</sup> Global pandemic, the impact of the Coronavirus has affected the world, including Lānaʻi.

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In the DEA, there are multiple references to workforce housing.<sup>22</sup> The homes will be provided to the workforce on Lānaʻi, which will include employees of Pūlama Lānaʻi and affiliate companies and other entities that are necessary to maintain essential operations on Lānaʻi (e.g., teachers, police officers, TSA agents, nurses, etc.).

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**Comment 05:** Please respond to the concern expressed that the proposed project would be used to house construction workers arriving from off-island for future projects, rather than for existing, qualifying residents in need of housing.

**Response 05:**

Although the comment is not within the scope of the draft Environmental Assessment (“DEA”), the applicant recognizes the comment regarding construction workers living in the Hōkūao 201H Housing Project.

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**Comment 06:** Clarify that Lanai Housing and Urban Development guidelines for affordable income limits for rental units will be employed for this project, recognizing the higher cost of living on Lanai. What are the target ranges of AMI to be considered for this project and associated rental rates?

**Response 06:**

Although the comment is not within the scope of the draft Environmental Assessment (“DEA”), the applicant recognizes the comment regarding target ranges of AMI and associated rental rates to be considered for this project.

The ranges of AMI and associated rental rates to be considered for this project, as well as other affordable housing projects, are reviewed and set by the Maui County Department of Housing and Human Concerns (“DHHC”) Housing Division on an annual basis. The AMI and associated rental rates are published every May. The information published on the DHHC website for 2020 specifically for Lānaʻi<sup>23</sup> was included on page 24 in the DEA.

Based on the market analysis (Exhibit F of the Draft EA), for the affordable homes, it was concluded that the following should be generally considered (pages 137 to 138 of the DEA): 21.6% for low income; 37.4% for below moderate to moderate income; and 41% above moderate income.

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<sup>22</sup> DEA pages 133, 137-139, and Exhibit F.

<sup>23</sup> See page 29 of 39 for the income limits for rental units and affordable rent guidelines for Lānaʻi:  
<https://www.mauicounty.gov/DocumentCenter/View/121898/2020-Workforce-Housing-Affordable-Sales-Guidelines?bidId=>



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**Comment 07:** The LPC would like the FEA to describe the current status of Well 7, when the water was last tested at Well 7 and what the results were, and what the anticipated date of activation and use of Well 7 are.

**Response 07:**

The applicant is in the process of permitting the development of Well 7 (an existing source), which will be connected to the Lānaʻi City distribution system along with Wells 6, 8 and 3. Well 7 will provide additional source capacity and reliability. This is consistent with the LWUDP, there is significant discussion in the DEA on pages 102-103 regarding Well 7.

We anticipate the activation and use of Well 7 to occur no later than the time the first occupant moves into their home at the proposed project. Prior to any connection to the public water system, the well is required to be approved by the Safe Drinking Water Branch and undergo new source water testing. The compounds that will be tested can be found here:

<https://health.hawaii.gov/sdwb/files/2019/07/ContaminantsTestNewSources2019.pdf>

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**Comment 08:** Page 209 of the DEA states, “Homes may include solar photovoltaic on-site generation with individual home battery.” Who would pay for such an installation on rental units? How would energy savings be passed through to the renter? What criteria would be used to determine which units could have PV installed?

**Response 08:**

Although the comment is not within the scope of the draft Environmental Assessment (“DEA”), the applicant recognizes the comment regarding costs associated with on-site renewable energy generation.

The applicant is the sole investor in the Hōkūao 201H Housing Project, all associated costs with the development of the Hōkūao 201H Housing Project are part of the investment, including the potential on-site renewable energy generation for all the homes.

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**Comment 09:** Discuss the applicability of HRS §196-6.5 Solar water heater system required for new single-family residential construction for this project and any proposed applications for a variance from this requirement.

**Response 09:**

Although the comment is not within the scope of the draft Environmental Assessment (“DEA”), the applicant recognizes the comment regarding the applicability of HRS §196-6.5 Solar water heater system required for new single-family residential construction and whether the applicant will be applying for a variance.

*HRS §196-6.5 Solar water heater system required for new single-family residential construction, is applicable to the Hōkūao 201H Housing Project, by definition (new single family residential construction). There are also list of variances that are applicable, in*

# Exhibit “C”

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particular §196-6.5 (a) (3): a renewable energy technology system, as defined in section 235-12.5, is substituted for use as the primary energy source for heating water.<sup>24</sup>

There are multiple references regarding solar energy production on-site, including home battery storage, for the homes in the Draft Environmental Assessment (“DEA”).<sup>25</sup> The applicant is also evaluating the potential to install a solar roof on the homes, which would include a battery energy storage system. These renewable energy systems would provide power to the home, therefore the hot water heater would also be powered by renewable energy sources.

Given the aforementioned, it is possible that the applicant will be seeking a variance as allowed per HRS §196-6.5 (a) (3).

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**Comment 10:** Local experience indicates that Kona winds will result in odor from the WWTP south/southwest of the Project. Please explain the methodology of determining that odors from the WWTP would only be a minor issue, and who made that determination.

**Response 10:**

**Proximity to the Wastewater Treatment Plant (“WWTP”)**

Exhibit D and Section 4.12 Air Quality (starting on page 152) of the DEA includes an extensive discussion regarding the air quality impacts of the project area. A study by B.D. Neal & Associates, included as Exhibit D, described the methodology and findings of potential short and long term air quality impacts that could occur as a result of construction and use of the proposed development and suggested mitigation measures to reduce any potential air quality impacts where possible and appropriate. Potential impacts on the proposed development from the nearby wastewater treatment facility (aka WWTP) was also evaluated. The study utilized both national and state ambient air quality standards (“AAQS”).<sup>26</sup>

As detailed in Section 8 in Exhibit D, generally WWTPs are not considered significant sources of air pollution, but they can result in the release of small amounts of airborne odorous compounds.<sup>27</sup> It is further stated that these types and compounds in the air are generally not considered hazardous to human health, but when they occur in high concentrations at offsite locations, they can be detected by smell and potentially constitute a nuisance for nearby residents and businesses.

A study was conducted and described in Section 8. Hydrogen sulfide measurements were collected, there were no measurable hydrogen sulfide concentrations at any location along the plant perimeter. It was recommended by the consultant that it would be prudent for the proposed project to maintain a buffer distance at least 300 to 600 feet from the WWTP boundary.<sup>28</sup> The Hōkūao 201H Housing Project implemented the maximum recommendation buffer of 600 feet from the WWTP boundary (see Figure 2 below).

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<sup>24</sup> See extensive discussion here: <https://energy.hawaii.gov/resources/solar-water-heater-variance>

<sup>25</sup> DEA Pages 191, 209, Exhibit D Page 27, and Exhibit F Page 15.

<sup>26</sup> National AAQS are specified in Section 40, Part 50 of the Code of Federal Regulations, while State of Hawaii AAQS are defined in Chapter 11-59 of the Hawaii Administrative Rules. Table 1 in Exhibit D summarizes the standards.

<sup>27</sup> Exhibit D Section 8 Waste Water Treatment Plant

<sup>28</sup> Exhibit D Section 9 Conclusions and Recommendations

# Exhibit "C"

County of Maui, Planning Department

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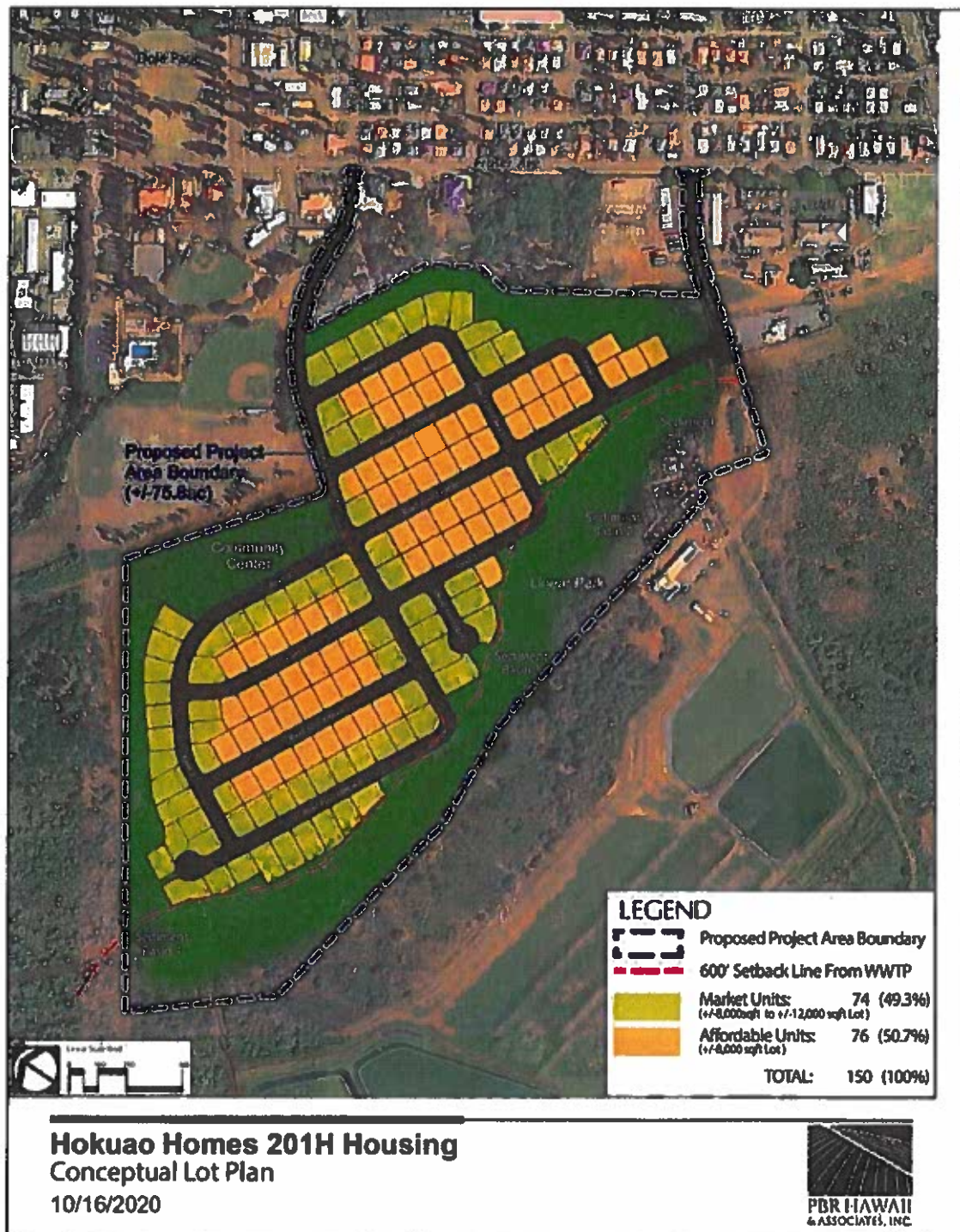


Figure 9: Dotted red line depicts the 600 foot setback line from the WWTP.

## Exhibit “C”

County of Maui, Planning Department

Response to Draft 201H-38 Comments

**Comment 11:** Page 139 of the DEA states, “At build-out the average daily de-facto population of the community will be some 418 fulltime residents. The cumulative resident household income during the first 10 years of occupancy will total \$70.4 million and will stabilize at \$12.1 million annually thereafter.” Discuss why the Applicant believes such estimates of household income are important for this project review. Is an increase in median income anticipated? If so, will that increase be driven by an increase in wages of current residents, or new residents to the island? Does the Applicant believe this new income will be generated by off-island residents moving to Lanai? If the homes are for people who are already on Lanai, does it make sense to discuss the total household income of the community when potential tenants may just be moving from another part of town to this new rental project?

**Response 11:**

CBRE (consultant) completed Exhibit F Market Study Economic Income Analysis for the Hōkūao 201H Housing Project. The calculations and tables presented in Exhibit F and discussed in Section 4.9 of the DEA is standard for these types of reports.

As stated in the DEA, Exhibit F, Table A-5, footnote (1): Average resident households were estimated at 150% of Lanai household income average of \$53,590 in 2020; or \$80,385 (150% \* \$53,590).

When discussing this question with the consultant (CBRE), they indicated that the 150% of median income estimate is the weighted average based on the unit mix and type of workforce/affordable and market-rent homes. The household income for the workforce/affordable component is set at between 80% to 120% of median household income for Lanai (per HUD guidelines) and the market-rent units at 160% to 220% (and potentially higher). The increase is not attributed to “new residents to the island.”

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**Comment 12:** Further elaborate on water usage and provide data that shows the project's proposed water demand, plus the island's current water usage combined with the approved water allocation for entitled projects. Plot this data graphically against the threshold set by the Commission on Water Resource Management. This data should be shown in an easily read graphical format. Please state the level of approved water consumption where the need for a well on the windward side of the island will be triggered in the context of the current level of approved water consumption.

**Response 12:**

In Section 4.7, on page 101 of the DEA, the Lānaʻi Monthly Pumpage chart<sup>29</sup> was presented. It is replicated in Figure 3 for convenient discussion purposes. At the time of the DEA, the current daily demand was 1.6 MGD.

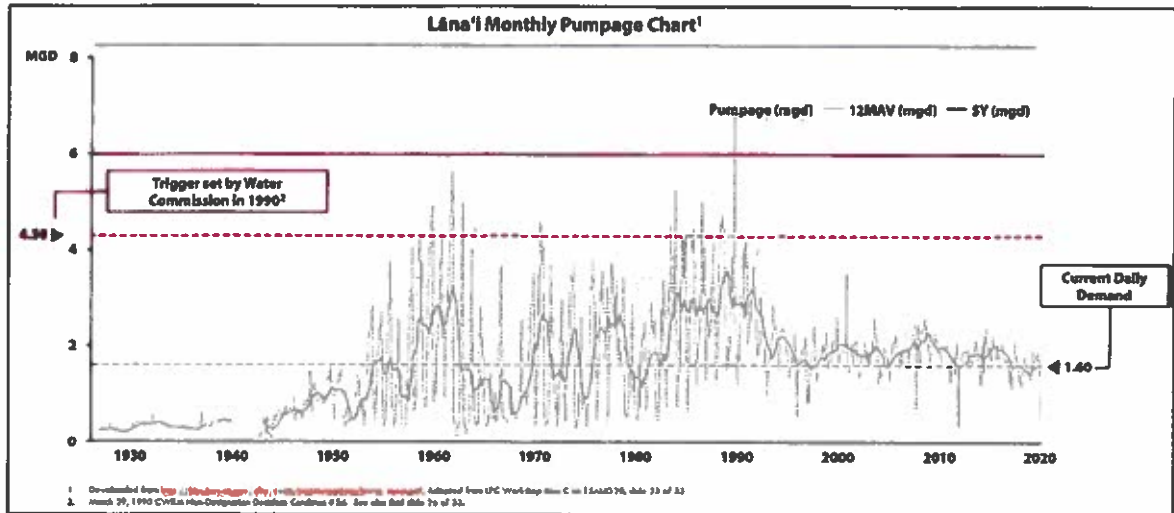
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<sup>29</sup> The data set used to create this graphic was downloaded from [https://files.hawaii.gov/dlnr/cwrm/monitoringdata/pump\\_lanai.pdf](https://files.hawaii.gov/dlnr/cwrm/monitoringdata/pump_lanai.pdf).

# Exhibit "C"

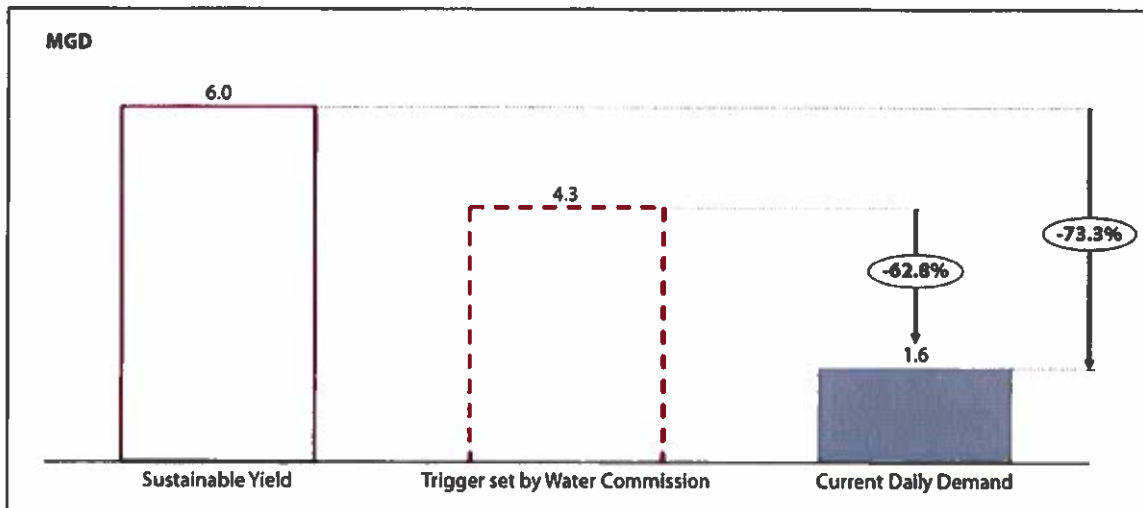
County of Maui, Planning Department

Response to Draft 201H-38 Comments



**Figure 10:** Duplication of chart on page 101 in the DEA. The solid light aqua blue line shows the 12-month moving average, the dotted gray line is the monthly Pumpage, the solid red line is the sustainable yield ("SY") for Lāna'i at 6 million gallons per day ("MGD"), and the red dotted line is pegged at 4.3 MGD, which is the trigger set by the Water Commission in 1990.

As stated on page 99 of the DEA, when the actual water use exceeds 4.3 MGD (see Figure 3, dotted red line trigger), the Chairperson of the Water Commission is authorized to re-institute water management-area designation proceedings and, hence re-evaluations of the ground water conditions would commence. The current daily demand in Figure 3 is 1.6 MGD, which is 73.3% less than the sustainable yield ("SY") and 62.8% less than the trigger set by the Water Commission. Figure 4 was created using the information from Figure 3 to aid in these calculations.



**Figure 11:** Graphical representation to aid in the comparison of the current water daily demand, the trigger set by the Water Commission, and the Sustainable Yield for Lāna'i.

## Exhibit "C"

County of Maui, Planning Department

Response to Draft 201H-38 Comments

The preliminary engineering report ("PER") that estimated the daily water demand was conducted by RM Towill Corporation; the full PER is included as Exhibit G in the DEA. It should also be noted that the PER was conducted for 200 homes not 150 homes. Therefore, the daily water demand presented in the DEA is conservative at an estimated daily demand of 121,700 gallons per day (GPD). Actual water usage for the proposed 150 homes is anticipated to be less than the 121,700 GPD.

Utilizing an additional 121,700 GPD would not trigger the 4.3 MGD or exceed the 6 MGD SY. Further, as previously noted, the proposed project is anticipated to be less than the 121,700 GPD as the water usage was calculated for 50 more homes than planned.

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**Comment 13:** Page 9 of the DEA states, "The project also includes a one-acre park, a 1,500 square foot community center for use by the Lanai community, and 60-parking stalls for use by the Hokuao project residents." What are these 60 parking stalls for project residents intended to be used for? Are residents allowed to park extra vehicles in these stalls? Are these stalls to be used by residents when they are using the community center? Where are non-project residents to park when they make use of the community center?

**Response 13:**

Although the comment is not within the scope of the draft Environmental Assessment ("DEA"), the applicant recognizes the comment regarding the parking stalls located near the community center.

The parking lot is intended to be used by community members (residents of Hōkūāo 201H Housing Project and non-residents of Hōkūāo 201H Housing Project) when visiting the community center or park.

Residents of the Hōkūāo 201H Housing Project will each have two parking stalls on their rental property as well as on-street parking available to them. On-street parking is also available for their guests.

The rental agreements and association documents have not been finalized, details regarding on-street parking will be included in the aforementioned documents and agreements.

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**Comment 14:** Where are resident's guests to park when visiting? What provision for parking is made for residents who have more than two cars? Is there adequate off-street parking for additional cars for residents and/or visitors?

**Response 14:**

See response to Comment 13.

## DOCUMENT 5



KATHY L. KAOHU  
County Clerk



JAMES G.M. KRUEGER  
Deputy County Clerk

**OFFICE OF THE COUNTY CLERK**

COUNTY OF MAUI  
200 SOUTH HIGH STREET  
WAILUKU, MAUI, HAWAII 96793  
[www.mauicounty.gov/county/clerk](http://www.mauicounty.gov/county/clerk)

September 7, 2021

Honorable Michael P. Victorino  
Mayor, County of Maui  
200 South High Street  
Wailuku, Hawaii 96793

**APPROVED FOR TRANSMITTAL**

*Michael P. Victorino* 9/9/21  
Mayor Date

For transmittal to:

Ms. Michele McLean  
Planning Director  
County of Maui  
Wailuku, Hawaii 96793

Dear Ms. McLean:

Transmitted herewith is a certified copy of Resolution No. 21-136, which was adopted by the Council of the County of Maui, State of Hawaii, on September 3, 2021. Also attached is a copy of Committee Report No. 21-69, As Amended.

Respectfully,

*Kathy L. Kaohu*

KATHY L. KAOHU  
County Clerk

/jym

Enclosure



# Resolution

No. 21-136

## APPROVING WITH MODIFICATIONS THE INDEPENDENT DEVELOPMENT OF THE HŌKŪAO HOUSING PROJECT UNDER SECTION 201H-38, HAWAII REVISED STATUTES

WHEREAS, Pūlāma Lānaʻi, a Hawaii corporation, proposes the development of the Hōkūao Housing Project ("Project") on approximately 76 acres of land, which is identified for real property tax purposes as Tax Map Keys (2) 4-9-002:061 (por.), (2) 4-9-014:001 (por.), and (2) 4-9-014:009 (por.) in Lānaʻi City, Hawaiʻi; and

WHEREAS, the proposed Project will consist of a residential development of 150 single-family homes, with 76 homes for rent to qualified households earning between 80 and 140 percent of Maui's area median income, and 74 homes for rent at market rates; and

WHEREAS, the proposed Project will provide a one-acre park, a 1,500-square-foot community center for use by the Lānaʻi community, and 60 parking stalls for residential and intermittent parking; and

WHEREAS, the Project will provide needed residential workforce housing to meet the current and growing demand for housing on Lānaʻi; and

WHEREAS, the Project is being independently developed under Section 201H-41, Hawaiʻi Revised Statutes ("HRS"); and

WHEREAS, under Section 201H-38, HRS, the Council of the County of Maui ("Council") may approve certain exemptions for the Project, and the requested exemption list is attached as "Exhibit A"; and

WHEREAS, under Section 201H-38, HRS, the Council must approve, approve with modifications, or disapprove the Project by resolution 45 days after the Department of Housing and Human Concerns ("DHHC") has submitted the preliminary plans and specifications for the Project to the Council, which submittal occurred on July 21, 2021; and

WHEREAS, under Section 4-1 of the Revised Charter of the County of Maui (1983), as amended, the Council is authorized to act by resolution; now, therefore,

BE IT RESOLVED by the Council of the County of Maui:

1. That based upon the transmittals and the representations of the DHHC and Pūlāma Lānaʻi, the Council approves the Project with the

modifications specified in "Exhibit B," including the Project's preliminary plans and specifications, as submitted to the Council on July 21, 2021, under Section 201H-38, HRS; except that Pūlāma Lānaʻi must comply with all statutes, ordinances, Charter provisions, and rules of governmental agencies relating to planning, zoning and construction standards for subdivisions, development and improvement of land, and the construction of units, unless exempted as specified in "Exhibit A";

2. That the final plans and specifications for the Project will be approved by the Council if the final plans and specifications do not substantially deviate, as determined by the Director of Housing and Human Concerns, from the preliminary plans and specifications submitted to the Council;
3. That the final plans and specifications will constitute the zoning, building, construction, and subdivision standards for the Project;
4. That any substantial deviation from the final plans and specifications must be submitted to the Council for prior approval;
5. That in the event of any conflict between the plans and specifications of the Project and this Resolution, terms of the Resolution and its exhibits will control; and
6. That certified copies of this Resolution be transmitted to the Director of Public Works, the Planning Director, the Director of Housing and Human Concerns, and Pūlāma Lānaʻi.

APPROVED AS TO FORM AND LEGALITY

/s/ Mimi Desjardins

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Deputy Corporation Counsel  
County of Maui

**EXHIBIT A**  
**HŌKŪAO HOUSING PROJECT**  
**EXEMPTIONS**

The following exemptions from Maui County Code provisions are approved for the Hōkūao Housing Project ("Project"):

**1. Exemption from Chapter 2.80B – General Plan and Community Plans**

An exemption is granted from Chapter 2.80B, Maui County Code, to allow the Project to proceed without obtaining a Community Plan Amendment. The Project site is designated as "Park," "Open Space," "Mixed-Use Residential," and "Public/Quasi-public" in the Lāna'i Community Plan map. The exemption will allow the Project to follow "Single Family" and "Park" design standards and permitted uses, as proposed.

**2. Exemption from 12.24A.070(D) – Street Trees**

An exemption is granted from Section 12.24A.070(D), Maui County Code, to allow flexibility in the number, species, and location of street trees in the Project, except that the Project must use native plants and fruit-bearing trees adaptive to the climate and elevation, such as avocado, fig, and ulu. The Conceptual Landscape Plan prepared by a licensed architect, and attached as "Exhibit 1," must be reviewed by the Department of Public Works prior to final subdivision approval.

**3. Exemption from 16.26B.3600 – Improvements to Public Streets**

An exemption is granted from Section 16.26B.3600, Maui County Code, to allow the Project flexibility in the construction of frontage improvements along public streets.

**4. Exemptions from Chapters 16.04C, 16.18B, 16.20B, and 16.26B – Fire Code, Electrical Code, Plumbing Code, and Building Code**

An exemption is granted from Chapters 16.04C, 16.18B, 16.20B, and 16.26B, Maui County Code, to exempt the 76 residential workforce housing units from fire, electrical, plumbing, and building permit fees, including plan review and inspection fees. This exemption does not apply to the market rate units in the Project.

**5. Exemptions from Chapters 16.04C, 16.08A, and 16.26B – Fire Code, Residential Code, and Building Code**

An exemption is granted from Chapters 16.04C, 16.08A, and 16.26B, Maui County Code, to allow the Project to proceed under the Fire, Residential, and Building Code provisions as stated at the time of the filing of building permit applications.

**6. Exemption from 18.04.030 – Subdivisions – Administration**

An exemption is granted from Section 18.04.030, Maui County Code, as well as related land use consistency and conformity requirements of Title 18, to allow the Project to proceed without obtaining a Change in Zoning or Community Plan Amendment. The Project will be developed to the standards outlined in this exemption list.

**7. Exemption from 18.16.050 – Minimum Right-of-Way and Pavement Widths**

An exemption is granted from Section 18.16.050, Maui County Code, to allow the proposed minimum rights-of-way and pavement widths as shown in an exhibit to be provided to the Department of Public Works for approval prior to final subdivision approval.

A 41-foot right-of-way with 20 feet of pavement is proposed for 9th Street and Fraser Avenue and for approximately 250 feet along the 9th Street extension, followed by a 50-foot right-of-way with 20 feet of pavement for the balance of the 9th Street extension. A 50-foot right-of-way with 20 feet of pavement is proposed for the 12th Street extension from Fraser Avenue. Project plans also include 20 feet of pavement and 10 feet of paved parallel parking spaces for all interior roads.

**8. Exemption from 18.16.320 – Parks and Playgrounds**

An exemption is granted from the requirements of Section 18.16.320, Maui County Code. The proposed Project includes a one-acre park, in addition to a community center and comfort stations totaling 2.10 acres. The park will be open to the public, and privately owned and maintained.

**9. Exemption from 18.16.320(B)(3) – Parks and Playgrounds**

An exemption is granted from the requirements of Section 18.16.320(B)(3), Maui County Code, for subdividers to enter into a park assessment agreement with the County.

**10. Exemption from 18.20.080 – Curbs and Gutters**

An exemption is granted from Section 18.20.080, Maui County Code, to allow grass swales within the Project's internal roadways, not including 9th and 12th Streets.

**11. Exemptions from Chapters 19.02A, 19.07, and 19.30A – Interim Zoning, Open Space Districts, and Agricultural District**

An exemption is granted from Chapters 19.02A, 19.07, and 19.30A, Maui County Code:

- a. To allow for the development and subdivision of the property in the conceptual site configuration as shown in “Exhibit 2,” which may be amended by the Director of Public Works. The Project will follow “Single Family” and “Park” design standards and permitted uses, including supporting infrastructure requirements. The following zoning standards will apply to the Project’s residential and park areas, as shown in “Exhibit 2”:

**Residential Area:**

Lot size: 8,000 square feet.

Height: No building will exceed two stories or 30 feet in height, measured from finished grade.

Setbacks: Five feet – front yard.

Six feet – side and rear yard, except one zero lot line may be permitted on an adjacent property boundary.

**Park Area:**

Lot size: One acre.

Height: No building will exceed two stories or 45 feet in height, measured from finished grade.

Setback: 10 feet – front, side, and rear yard.

- b. To allow the following uses:

- 1) Single family housing units;
- 2) Accessory structures such as carports, parking areas, small-scale energy systems, fences and walls, and storage sheds; and
- 3) Park recreational buildings and structures, such as gazebos, pavilions, courts, and pools.

**12. Exemptions from Chapters 19.08 and 19.27A – Residential Districts and Park Districts**

An exemption is granted from Chapters 19.08 and 19.27A, Maui County Code, to allow the permitted uses for Residential Districts in the Project’s residential areas as shown in “Exhibit 2”; and to allow the permitted uses

for Park Districts under Section 19.27A.030, Maui County Code, excluding golf courses, in the Project's park areas as shown in "Exhibit 2"; and to include the following additional permitted uses:

- 1) Utility facilities, minor; and
- 2) Utility services, as provided in Chapter 19.04, Maui County Code.

**13. Exemption from 19.30A.040 – Limitations on Resubdivision**

An exemption is granted from Section 19.30A.040, Maui County Code, to allow for residential, infrastructure, and public facility use on lots to be created relative to lands included in County of Maui Subdivision File Number 6.180.

**14. Exemption from 2.96.040(C)(2) – Residential Workforce Housing Requirements – Income Group Distribution**

An exemption is granted from Section 2.96.040(C)(2), Maui County Code, to allow the Project to provide the residential workforce housing units for rent to "above-moderate," "moderate," and "below-moderate" income-qualified residents in perpetuity, and in the approved distribution percentages. In consideration for this exemption, Pūlama Lānaʻi will provide 39 rental units at Iwiole Hale for "very low" and "low" income-qualified residents in perpetuity, subject to a residential workforce housing agreement.

**15. Exemption from 2.96.070(B) – Residential Workforce Housing Restrictions – Rental Units**

An exemption is granted from the requirements of Section 2.96.070(B), Maui County Code, for a 30-year deed restriction for residential workforce housing rental units. Pūlama Lānaʻi will provide the 76 units as residential workforce housing units in perpetuity, at affordable rental rates specified by HUD affordable rental guidelines, as adjusted by the Department of Housing and Human Concerns, subject to a residential workforce housing agreement.

**16. Exemption from 2.96.070(F) – Residential Workforce Housing Restrictions – Graduated Income Tenants**

An exemption is granted from Section 2.96.070(F), to allow the Project to include "above-moderate" income-qualified residents as "graduated income tenants" for the 76 residential workforce housing units.

**17. Exemption from 2.96.100(A)(3) – Applicant Selection Process – Rental Units – Wait List Procedure**

An exemption is granted from 2.96.100(A)(3), Maui County Code, to allow Pūlama Lānaʻi to follow the wait list procedure for the 76 residential workforce housing units as outlined below:

- Pūlama Lānaʻi will maintain a wait list for the residential workforce housing units only. The wait list will be used to fill any vacancy in the residential workforce housing units.
- Qualified residents on the wait list will receive first priority for available residential workforce housing units.
- Qualified nonresidents on the wait list will not be eligible for residential workforce housing units until the wait list has been exhausted of all qualified residents.
- Residential workforce housing units will be offered to qualified residents in the order in which their names are on the wait list, so long as units are available in the income group for which they qualified.
- Residential workforce housing units will be offered to qualified nonresidents in the order in which their names are on the wait list.

**18. Exemption from 2.96.100(D) – Application Selection Process – Rental Units – Selection Priority**

An exemption is granted from Section 2.96.100(D), Maui County Code, to allow the Project to include “above-moderate” income-qualified residents as applicants for the residential workforce housing units, and to provide selection priority for the residential workforce housing units as outlined below:

For the initial offering, a lottery will be held for qualified applicants. Subsequent units will be made available to qualified applicants on the wait list. Qualified applicants on the wait list will need to update their contact information with Pūlama Lānaʻi should there be any changes. Pūlama Lānaʻi will make its best efforts to contact qualified applicants on the wait list should a unit become available. If the qualified applicant on the wait list is unreachable, the next qualified applicant will be notified about the available unit.

**Step 1:** Qualify applicants for residential workforce housing units.

- Each interested applicant may obtain a rental application in person at the Pūlama Lānaʻi Housing Office.
- Each interested applicant will need to complete a rental application and submit it to the Pūlama Lānaʻi Housing Office.
- During the qualification process, applicants must meet the eligibility criteria set by Sections 2.96.020 and 2.96.090(B)(1), (2), (3), (4), (5), and (7).

- Pūlama Lāna‘i will complete the following due diligence on each completed application (not an exhaustive list):
  - Verification of financial information, including income level.
  - Credit Check.
  - LIHTC questionnaire.

**Step 2:** Qualified applicants will enter a lottery for the initial offering only.

- Residential workforce housing units will be offered to qualified applicants in the order in which their names were drawn in the lottery, so long as units are available in the income group for which they were qualified.
- If there are more qualified applicants chosen than units available, a wait list will be established and qualified applicants will be added to the wait list in the order in which their names were drawn in the lottery.
- The lottery will be held once, at the commencement of the Project. Subsequent qualified applicants will be added to the wait list in the order in which they were qualified.

**Step 3:** Wait list procedure will be as outlined in Exemption 18.

**Step 4:** Execute rental agreement.

- When a residential workforce housing unit becomes available, Pūlama Lāna‘i will confirm if the applicant is still qualified and will execute a rental agreement.
- Pūlama Lāna‘i will provide to the Department of Housing and Human Concerns the following information to verify the rental of the units to eligible renters:
  - Applicant’s final rental application.
  - Executed rental agreement.
  - All signed Federal and State tax returns, or any other documents, used to determine eligibility.

**Step 5:** Annual verification of qualified applicants.

- Qualified applicants for residential workforce housing units will need to self-certify that the information used to qualify them for the unit has not changed.



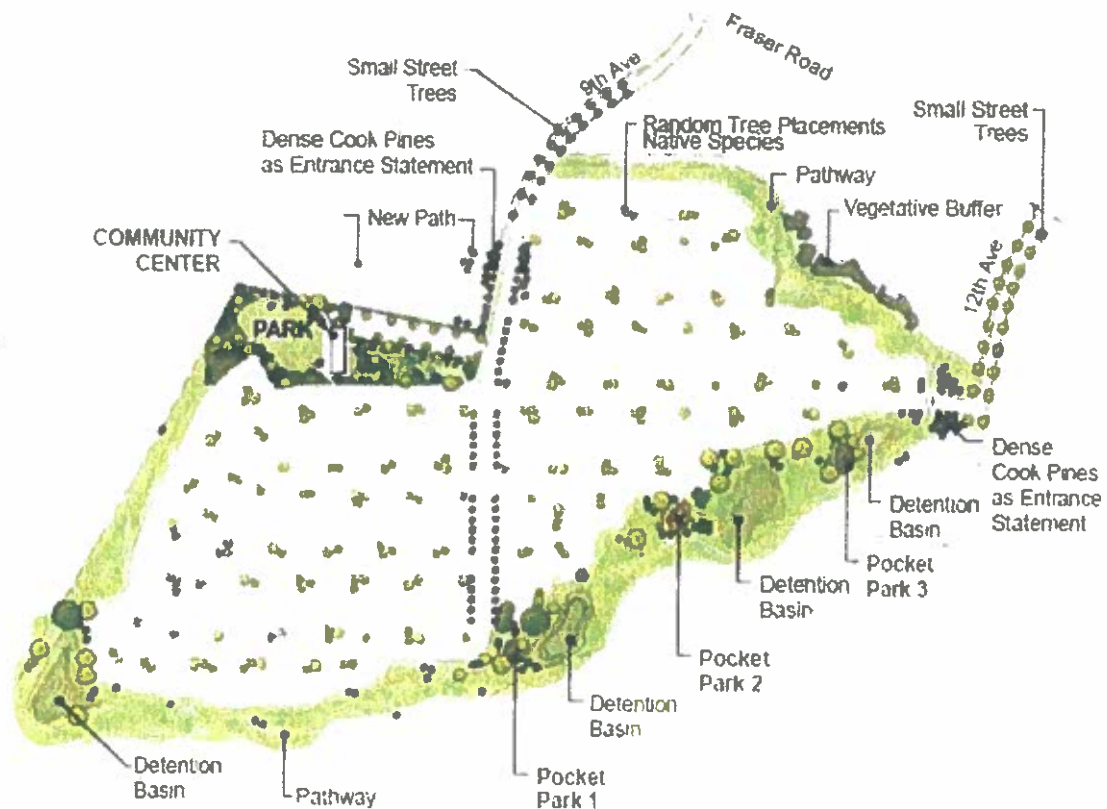
**19. Exemption from 2.96.160(B) and (C) – Fast Track Permitting**

Given the exceptional circumstances involved in this Project, including safety concerns if adjacent units are not developed concurrently, an exemption is granted to allow fast track permitting of the residential workforce housing units and the market rate units in the Project.

ah:misc:001(1)areso01a\_Exhibit A

# EXHIBIT 1

## Conceptual Landscape Plan



Pocket Park 1 Natural Elements: Boulders, log tunnel, chipped wood fall surface, rope, benches

Pocket Park 2 Natural Elements: Log pyramid or swing set, chipped wood fall surface, rope ladder, benches

Pocket Park 3 Natural Elements: Logs, chipped wood fall surface, rope ladder, benches, shade trees



## Hokuao Homes 201H Housing

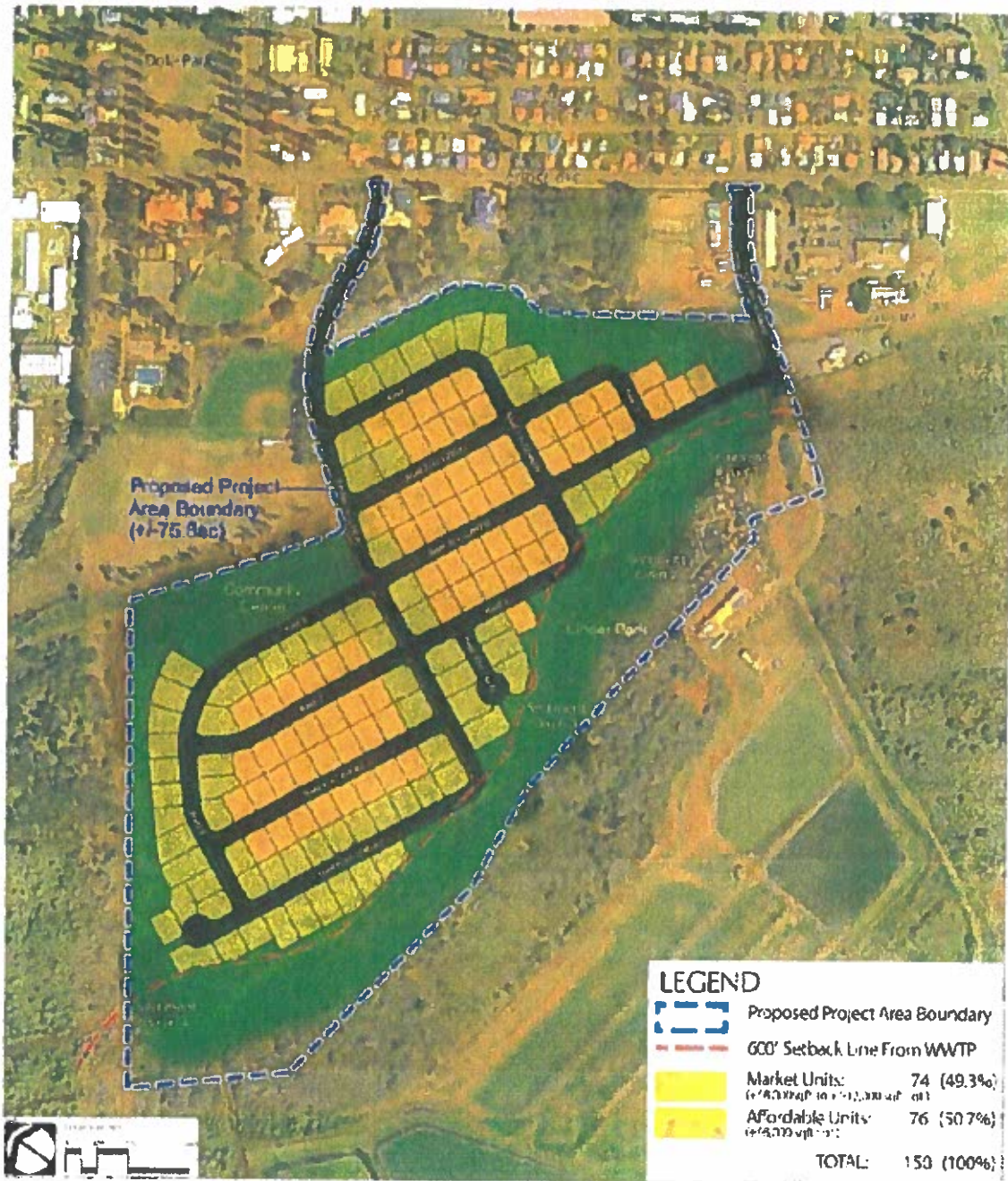
Landscape Amenities Plan

10/16/2020



# EXHIBIT 2

## Conceptual Site Plan



**Hokuao Homes 201H Housing**  
 Conceptual Lot Plan  
 10/16/2020



## **EXHIBIT B**

### **HŌKŪAO HOUSING PROJECT**

#### **MODIFICATIONS**

1. No condominium property regimes are allowed within the Hōkūao project site. No further subdivision of land for additional dwellings is allowed within the Hōkūao project site.
2. Developer must establish a policy to affirmatively protect any Pūlama Lānaʻi employee residing within the Project to express themselves freely, even in opposition to Pūlama Lānaʻi or its affiliates, without fear of retaliation from the company, or loss of home or employment.
3. The Project's proposed one-acre park and community center must be completed prior to construction of the last market rate unit.
4. Developer must reserve 10 residential workforce housing units for teachers in grades Pre-K through 12 residing on Lanaʻi. Teachers will be required to complete the same application and verification process as any other applicant. Should there be fewer than 10 teachers who apply or qualify for units, the remaining reserved units may be offered to other qualified applicants. Developer must coordinate with the Department of Housing and Human Concerns to establish the specific procedures for implementing the selection priority for teachers.
5. Developer must act in good faith and with best efforts to develop internal roads, sidewalks, and pathways that promote safety and accessibility, multimodal transportation, and "Vision Zero Maui" and "Complete Streets" principles.
6. Developer must develop a stub out for water and a stub out for wastewater in coordination with, and for the use of, the County's Lanaʻi Affordable Housing Project on the parcel adjacent to the Hōkūao Housing Project.
7. Developer must develop all residential workforce housing units, including related roads and infrastructure, before or concurrently, and at the same ratio with the market rate units.

8. Developer must complete construction of all residential workforce housing units, with related roads and infrastructure, within 10 years of receiving the first building permit, except that an extension may be granted by Council approval by Resolution.
9. The Resolution and Exemptions will lapse and become void if construction of the units has not started within two years of receiving approved building permits for the residential workforce housing units.
10. The Resolution and Exemptions will lapse and become void if the required District Boundary Amendment is not granted within two years of the effective date of this Resolution.
11. Short-term rental homes and other transient accommodations are prohibited within the Project.
12. Rental of residential workforce housing units at market rate is prohibited, even in the temporary absence of income-qualified applicants.
13. Developer must satisfy the conditions of Chapter 14.12, Maui County Code, Water Availability.
14. Developer must develop and manage the project in substantial compliance with all representations made to the Council and its Affordable Housing Committee to obtain approval of this Resolution. The County has the right to deny the issuance of permits if, and as long as, the Developer is in breach of any of these Modifications.

ah:misc:001(1)areso01\_Exhibit B

# COUNCIL OF THE COUNTY OF MAUI

WAILUKU, HAWAII 96793

## CERTIFICATION OF ADOPTION

It is HEREBY CERTIFIED that RESOLUTION NO. 21-136, was adopted by the Council of the County of Maui, State of Hawaii, on the 3rd day of September, 2021, by the following vote:

MEMBERS	Alice L. LEE Chair	Keani N. W. RAWLINS- FERNANDEZ Vice-Chair	Gabriel L. JOHNSON	Natalie A. KAMA	Kelly T. KING	Michael J. MOLINA	Tamara A. M. PALTIN	Shane M. SINENCI	Yuki Lei K. SUGIMURA
ROLL CALL	Aye	Aye	Aye	Excused	Aye	Aye	Aye	Aye	Aye



COUNTY CLERK



COUNCIL OF THE COUNTY OF MAUI  
**AFFORDABLE HOUSING COMMITTEE**

September 3, 2021

**Committee**  
**Report No.** 21-69  
As Amended

NOTE: This committee report was amended by the Council at its meeting on September 3, 2021, by adding the underscored material on page 9. This committee report was then adopted as amended.

Honorable Chair and Members  
of the County Council  
County of Maui  
Wailuku, Maui, Hawaii

Chair and Members:

Your Affordable Housing Committee, having met on August 2, 2021, August 16, 2021, and reconvened on August 25, 2021, makes reference to County Communication 21-17, from Council Chair Alice L. Lee, relating to affordable housing projects under Chapter 201H, Hawai'i Revised Statutes ("HRS").

By correspondence dated July 21, 2021, the Director of Housing and Human Concerns transmitted the following:

1. An application for the development of the proposed Hōkūāo Housing Project ("Project") in Lānaʻi City, Lānaʻi, Hawaiʻi, under Section 201H-38, HRS. The Project consists of 150 single-family rental homes, of which 74 would be rented at market rate, and 76 would be rented as residential workforce housing units to qualified households earning between 80 and 140 percent of the area median income ("AMI"), as set forth by Department of Housing and Human Concerns guidelines. The Project site is near the Lānaʻi Police Station and Dole Park to the northeast, Pūlama Lānaʻi central offices to the southeast, and a County wastewater treatment facility to the southwest. The Project site is approximately 76 acres and covers portions of three contiguous parcels identified for real property tax purposes as Tax Map Keys (2) 4-9-002:061 (por.), (2) 4-9-014-001 (por.), and (2) 4-9-014:009 (por.). The parcels have a State Land Use classification of Urban District and

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**AFFORDABLE HOUSING COMMITTEE**

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Agricultural District, and a district boundary amendment will be required from the State Land Use Commission. The owner of the parcels and Project developer is Lānaʻi Resorts, LLC, d/b/a Pūlama Lānaʻi ("Developer").

2. A proposed resolution entitled "APPROVING THE INDEPENDENT DEVELOPMENT OF THE HÖKUAO 201H HOUSING PROJECT PURSUANT TO SECTION 201H-38, HAWAII REVISED STATUTES."

The purpose of the proposed resolution is to approve the proposed Project with various exemptions from certain requirements contained in the Maui County Code relating to planning, zoning, land development and improvement, and construction standards for subdivisions and dwelling units.

3. A proposed resolution entitled "APPROVING WITH MODIFICATIONS THE INDEPENDENT DEVELOPMENT OF THE HÖKUAO 201H HOUSING PROJECT PURSUANT TO SECTION 201H-38, HAWAII REVISED STATUTES."

The purpose of the proposed resolution is to approve the proposed Project with the modifications in "Exhibit B" and with various exemptions from certain requirements contained in the Maui County Code relating to planning, zoning, land development and improvement, and construction standards for subdivisions and dwelling units.

4. A proposed resolution entitled "DISAPPROVING THE INDEPENDENT DEVELOPMENT OF THE HÖKUAO 201H HOUSING PROJECT PURSUANT TO SECTION 201H-38, HAWAII REVISED STATUTES."

The purpose of the proposed resolution is to disapprove the proposed Project.

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By correspondence dated July 30, 2021, the Department of the Corporation Counsel transmitted revised proposed resolutions. The purpose of the revised proposed resolutions is to replace "Exhibit A" with a corrected list of exemptions as requested by the Developer.

Under Section 201H-38, HRS, the Council must approve, approve with modifications, or disapprove the proposed Project within 45 days after the preliminary plans and specifications have been submitted to the Council, which submittal took place on July 21, 2021. The Council has until September 4, 2021, to act on the 201H application, or the Project will be deemed approved.

Your Committee received a presentation from a representative of the Developer. According to the presentation and Project application, the proposed Project will provide 76 single-family homes as residential workforce housing units in perpetuity, for rent to below-moderate, moderate, and above-moderate income-qualified households earning between 80 and 140 percent of AMI. In addition, the Project will provide 74 single-family homes for rent at market rate.

The Developer's representative said all 150 homes will be two-bed/two-bath units with an interior living space starting at 1,150 square feet, and lot sizes starting at 8,000 square feet. Each home will be fully furnished and will include a solar-tiled roof and battery storage system; central air conditioning; washer, dryer and other appliances; a two-car carport; and front and back lanais. The Developer will also provide landscaping and property maintenance. The conceptual landscaping plan features fruit-bearing trees, pocket parks, and grass swales. The Project plan also includes a one-acre park and a 1,500 square foot community center. The Project will include road improvements, underground utility distribution lines, and the relocation of existing wastewater lines.

Your Committee notes the Developer has requested exemptions from the Maui County Code to expedite the delivery of the housing units, including exemptions relating to community plan amendments, changes in zoning, development standards, and certain residential workforce housing requirements. The Developer has also requested exemptions from

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**AFFORDABLE HOUSING COMMITTEE**

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construction-related fees for the residential workforce housing units, totaling approximately \$581,000.

According to the 2021 guidelines established by the Department of Housing and Human Concerns, the median family income on Lānaʻi is \$55,460. The Department's income limits for residential workforce housing rental units is based on AMI and family size. For example, the income limit for a two-person household would be \$35,490 at 80 percent AMI, \$44,370 at 100% AMI, and \$62,120 at 140% AMI. The maximum monthly rent for a two-bedroom unit, including all utilities, would range from \$998 to \$1,747.

The Developer's representative said the monthly rent, including utilities and landscaping and property maintenance, would be approximately \$1,000 to \$1,250 per month for the below-moderate income units, \$1,250 to \$1,500 for the moderate income units, and \$1,500 to \$1,750 for the above-moderate income units.

Your Committee received public testimony on the proposed Project, the majority of which supported the Project as proposed or with modifications. Comments received in support of the proposed Project, included the following:

- The residential workforce housing units would be income-restricted in perpetuity.
- The Project would increase the housing inventory on Lānaʻi, helping to address problems with overcrowded households and lack of housing choice and availability.
- The additional housing units would support workforce recruitment and retention, especially for recent graduates and returning residents.
- The Project would be entirely privately financed by Lanai Island Holdings, LLC, the parent company of Pūlama Lānaʻi.

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Your Committee also received public testimony expressing concerns about some aspects of the proposed Project, including:

- None of the units will be offered for sale, despite community outreach and presentations conducted during an earlier iteration of the Project that consisted of 200 single-family homes for sale.
- The Project might give preferential treatment to applicants who are employees of Pūlama Lānaʻi or its affiliates, some of whom may not be long-term Lānaʻi residents.
- The Project may have negative impacts on water, wastewater, and other infrastructure capacity for future adjacent developments proposed for the Lānaʻi High and Elementary School Master Plan, the Department of Hawaiian Home Lands ("DHHL") residential expansion, and the County's Lānaʻi Affordable Housing Project.
- The lack of sidewalks for the Project's internal roads present safety and accessibility concerns, especially for persons with disabilities or mobility issues.

The Developer's representative said a targeted survey of their current renters demonstrated a greater need for rental housing, and housing for residents in the below-moderate, moderate, and above-moderate income ranges. The Project proposes to distribute the units as follows: 70 percent (or 53 units) in the above-moderate category, 20 percent (or 15 units) in the moderate category, and 10 percent (or 8 units) in the below-moderate category. The representative confirmed that the proposed housing units are intended for current residents of Lānaʻi, but with no specific preferences for length of residency.

The Developer's representative also noted Pūlama Lānaʻi's current tenants include employees of Pūlama Lānaʻi, Four Seasons Resort, and Sensei Farms, as well as teachers, firefighters, police officers, health care

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professionals, TSA employees, and other essential workers in the community. The representative said the proposed development of Well 7 would provide sufficient capacity to meet the water needs of the entire Project, the DHHL project, and some, but not all phases of the County project. The representative also said the Project site plans, including streetscapes, were designed to reflect the character of Lānaʻi City.

Your Committee discussed the proposed Project, including the concerns expressed in public testimony relating to available water and wastewater capacity for the Project and other County and DHHL developments in the area; the lack of internal sidewalks and resulting safety and accessibility uses; the lack of units for sale, considering the high demand for home ownership on Lānaʻi as indicated in a recent survey conducted by your Committee Chair; and the need to ensure the Project benefits current, and to the extent legally possible, long-term residents of Lānaʻi.

Your Committee received written or in-person comments from representatives of various County agencies, including the Departments of Housing and Human Concerns, Planning, Public Works, Environmental Management, Parks and Recreation, Fire and Public Safety, and Police. Your Committee notes that extensive comments made by the agencies and the Lānaʻi Planning Commission are included in the Project's application materials.

The Deputy Director of Housing and Human Concerns said the Project does not include rentals for the low/very low income AMI categories (80 percent AMI and below), but does include rentals at the above-moderate income category (120 to 140 percent AMI), which is a significant departure from the Residential Workforce Housing Policy. Under Section 2.96.060, Maui County Code, rental units are required to be distributed equally between the moderate, below-moderate, and low/very low income categories.

The Deputy Director noted the income range and distribution of the Project would be mitigated by the Developer's proposal to provide 39 of their 128 existing units at Iwiole Hale for residential workforce housing in

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their current AMI categories, in perpetuity. These units, along with the 76 Hōkūao units, would be subject to a residential workforce housing agreement under Chapter 2.96, Maui County Code. While this would not constitute the Project exceeding its requirements under 201H, it would allow for the retention of residential workforce housing units that would otherwise convert to market rate.

The Deputy Director commented on fast track permitting for the market rate units, as proposed in the Developer's requested exemption from Section 2.96.160, Maui County Code. She said the fast track provision is a valuable incentive for developers and is intended to reward projects that provide 100 percent of their units as workforce housing. The Hōkūao Housing Project is 50.6 percent workforce housing, which is the minimum 201H requirement of 50 percent plus one unit. The Deputy Director said the Department could support fast track permitting for this Project due to the critical housing shortage on Lānaʻi and other exceptional factors, including safety issues that may result if adjacent units are not constructed at the same time.

The Deputy Planning Director expressed support for the Project, but was concerned about inadequate sidewalks and setbacks affecting pedestrian and vehicle safety and access. In addition, he expressed concerns about the residential workforce housing units and the market rate units being grouped in separate income-related clusters, the lack of diversity in the type of units, and the lack of variety in the exterior design of the homes creating a repetitive cookie-cutter effect. He also requested the park and community center be available when the first housing units are occupied.

The Director of Public Works expressed support for the Project, but was concerned about the lack of sidewalks for the proposed Project's internal roads, and other requested exemptions to development standards. She proposed revisions to several of the exemptions, which your Committee included in its recommendations.

The Deputy Director of Environmental Management said the County's wastewater treatment facility currently has available capacity for

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292 housing units, but is reaching its maximum capacity of 0.5 million gallons per day ("mgd"). He said the 150 housing units in the proposed Project would bring the capacity up to 0.464 mgd, leaving a remaining capacity for 142 units. He added that availability for the proposed Project cannot be ensured until the issuance of the building permits. He further noted that capacity is not solely based on volume of effluent, but also the load of biological material in the effluent.

The Director of Parks and Recreation said the proposed Project exceeds the park requirements for new subdivisions under Chapter 18, Maui County Code. She also said the Department has not yet received design plans for the proposed one-acre park and 1,500 square foot community center.

Your Committee notes the Project must provide reliable long-term water supply to meet the demands of the entire Project. The Project application states that activation of Well 7 by Lānaʻi Water Company will meet the estimated 0.12 mgd demand. It also states that the total current demand is 1.60 mgd; "other proposed developments" are estimated to add 1.51 mgd for a total demand of 3.23 mgd; and the Sustainable Yield, per Commission on Water Resource Management (CWRM), is 6 mgd.

Your Committee discussed a District Boundary Amendment for the Project, which will be required for portions of all three subject parcels. By correspondence dated August 19, 2021, from a Developer representative, a Notice of Intent To File a Land Use District Boundary Amendment was filed August 19, 2021, with the State Land Use Commission.

Your Committee also discussed references to "possible rollback or retroactive property taxes" contained in the Project application's land ownership documentation. By correspondence dated August 23, 2021, the Director of Finance described certain conditions which could subject the Project parcels to new or additional taxation, but confirmed that all three parcels are current on their taxes.



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Your Committee further notes the following specific representations by the Developer in its Project application, presentation, and comments:

- The Project is anticipated to be completed within 10 years from the start of construction, and homes may be available as soon as 2023.
- The Developer will consider designating ADA-accessible homes in the Project for residents in need of such accommodations.
- After completing this Project, Phase 1 and 2 of the County's Lānaʻi Affordable Housing Project, and fulfilling Pūlama Lānaʻi's rental needs, if an assessment demonstrates the need for workforce housing ownership units, the Developer will consider offering existing homes in its rental inventory for sale to income-qualified residents.

Your Committee discussed the various exemptions requested by the Developer, including exemptions relating to land use and zoning; construction and design standards; fast track permitting; and the Project's applicant selection process and waitlist procedures. Your Committee did not recommend granting an exemption from the provisions of Section 18.20.070, Maui County Code, requiring sidewalks on one side of the street for the Project's internal roads. The requested exemptions approved by your Committee are listed in "Exhibit A."

Your Committee considered a number of modifications to the project, including provisions to achieve the following objectives:

- Set start and completion times for the Project.
- Prohibit condominium property regimes, further subdivision, short-term rental homes and other transient accommodations, and rental of residential workforce housing units at market rate.

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- Establish policies for the protection of Project residents and for the provision of teacher housing.
- Promote the development of infrastructure in coordination with, and for the coordinated use of, future developments in the area.

The Developer objected to your Committee's proposals requesting water and wastewater systems, and roads and sidewalks, to be developed in coordination with other projects in the area. However, the Developer agreed to develop stub outs for water and wastewater for the County's Lāna'i Affordable Housing Project. The approved modifications accepted by the Developer are listed in "Exhibit B."

Your Committee notes the Project could support various strategies, objectives, and policies of the Countywide Policy Plan, including the following:

- "Expand housing opportunities for residents." (Page 57)
- "Reduce the affordable housing deficit for residents." (Page 57)
- "Ensure that an adequate and permanent supply of affordable housing, both new and existing units, is made available for purchase or rental to our resident and/or workforce population, with special emphasis on providing housing for low- to moderate-income families, and ensure that all affordable housing remains affordable in perpetuity." (Page 57)
- "Seek innovative ways to lower housing costs without compromising the quality of our island lifestyle." (Page 57)
- "Increase and maintain the affordable housing inventory." (Page 58)

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- “Develop workforce housing in proximity to job centers and transit facilities.” (Page 58)
- “Strengthen the local economy.” (Page 60)
- “Expand and enhance the network of parks, multi-use paths, and bikeways.” (Page 64)
- “Direct growth in a way that makes efficient use of existing infrastructure and to areas where there is available infrastructure capacity.” (Page 72)

Your Committee also notes the Project could support various goals, objectives, and policies of the Lānaʻi Community Plan, including the following:

- “Encourage Pūlama Lānaʻi to develop new rental and ownership housing that is affordable to a broad range of Lānaʻi household income levels.” (Page 11-3)
- “Expedite the permit process for housing projects that are safe, affordable, environmentally sustainable, and community oriented.” (Page 11-4)
- “Encourage the development of a mix of quality multifamily and single-family housing units to expand housing choices and price points.” (Page 11-4)
- “Encourage the County to work collaboratively with Pūlama Lānaʻi in order to build affordable housing throughout all residential growth areas.” (Page 11-5)

Your Committee further notes the Lānaʻi Community Plan provides this specific goal: “Increase home ownership for Lānaʻi residents by encouraging the sale of residential rental properties.” (Page 11-5) Your

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As Amended

Committee urges the Developer to make its best efforts to work with the County towards this important goal.

Your Committee concluded that the lack of housing choice and availability on Lana'i has deleterious effects on workforce development and retention, as well as negative social, economic, and even health impacts.

Your Committee recognized that Lāna'i has not had large-scale affordable housing construction for almost 30 years, and this privately-financed Project would provide many benefits to the community, including an additional 76 new units and 39 existing units in the residential workforce housing inventory in perpetuity.

Your Committee voted 8-0 to recommend adoption of the revised proposed resolution approving with modifications the Hōkūao Housing Project; filing of the revised proposed resolution approving the Project; and filing of the revised proposed resolution disapproving the Project.

Committee Chair Johnson, Vice-Chair Molina, and members King, Lee, Paltin, Rawlins-Fernandez, Sinenci, and Sugimura voted "aye." Committee member Kama was excused.

Your Committee is in receipt of a revised proposed resolution, entitled "APPROVING WITH MODIFICATIONS THE INDEPENDENT DEVELOPMENT OF THE HŌKŪAO HOUSING PROJECT UNDER SECTION 201H-38, HAWAII REVISED STATUTES," approved as to form and legality by the Department of the Corporation Counsel, incorporating your Committee's recommended revisions and nonsubstantive revisions.

Your Affordable Housing Committee RECOMMENDS the following:

1. That Resolution 21-136, attached hereto, entitled "APPROVING WITH MODIFICATIONS THE INDEPENDENT DEVELOPMENT OF THE HŌKŪAO HOUSING PROJECT UNDER SECTION 201H-38, HAWAII REVISED STATUTES," be ADOPTED;

**COUNCIL OF THE COUNTY OF MAUI**  
**AFFORDABLE HOUSING COMMITTEE**

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**Committee**  
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2. That the proposed resolution, attached hereto, entitled "APPROVING THE INDEPENDENT DEVELOPMENT OF THE HŌKUAO 201H HOUSING PROJECT PURSUANT TO SECTION 201H-38, HAWAII REVISED STATUTES," be FILED; and
3. That the proposed resolution, attached hereto, entitled "DISAPPROVING THE INDEPENDENT DEVELOPMENT OF THE HŌKUAO 201H HOUSING PROJECT PURSUANT TO SECTION 201H-38, HAWAII REVISED STATUTES," be FILED.

This report is submitted in accordance with Rule 8 of the Rules of the Council.



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GABE JOHNSON, Chair

ah:cr:21001(1)aa:ans

## COUNCIL OF THE COUNTY OF MAUI

WAILUKU, HAWAII 96793

### CERTIFICATION OF ADOPTION

It is HEREBY CERTIFIED that the recommendations contained in COMMITTEE REPORT NO. 21-69, As Amended were adopted by the Council of the County of Maui, State of Hawaii, on the 3rd day of September, 2021, by the following vote:

MEMBERS	Alice L. LEE Chair	Keani N. W. RAWLINS- FERNANDEZ Vice-Chair	Gabriel L. JOHNSON	Natalie A. KAMA	Kelly T. KING	Michael J. MOLINA	Tamara A. M. PALTIN	Shane M. SINENCI	Yuki Lei K. SUGIMURA
ROLL CALL	Aye	Aye	Aye	Excused	Aye	Aye	Aye	Aye	Aye



COUNTY CLERK