

DEPARTMENT OF PLANNING
 COUNTY OF MAUI
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**BEFORE THE LAND USE COMMISSION
 OF THE STATE OF HAWAII**

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|--|---|------------------------------------|
| In the Matter of the Petition of: |) | Docket No. A21-810 |
| |) | |
| PULAMA LANAI – HOKUAO 201H-38 |) | |
| HOUSING PROJECT |) | POSITION STATEMENT OF THE |
| |) | DEPARTMENT OF PLANNING, |
| To Amend the Agriculture District |) | COUNTY OF MAUI, REGARDING |
| Boundary into the Urban District |) | PETITIONER’S REQUEST FOR THE STATE |
| on approximately 56.436 Acres of Land, |) | LAND DISTRICT BOUNDARY |
| Tax Map Key No. (2) 4-9-002:061 (por.). The |) | AMENDMENT |
| Project is located on TMK (2) 4-9-002:061 |) | |
| (por.), (2) 4-9-014:001 (por.), and (2) 4-9-014: |) | |
| 009 (por.) at Lanai, City, Island of Lanai, |) | |
| County of Maui, State of Hawaii |) | CERTIFICATE OF SERVICE |
| |) | |

POSITION STATEMENT OF THE DEPARTMENT OF PLANNING, COUNTY OF MAUI

COMMENTS ON MOTION BY PULAMA LANAI (PETITIONER) FOR A STATE LAND USE DISTRICT BOUNDARY AMENDMENT (DBA) FOR THE PROPOSED HOKUAO 201H-38 HOUSING PROJECT (PROJECT), LOCATED AT LANAI CITY, ISLAND OF LANAI, COUNTY OF MAUI, HAWAII; TMKs: (2) 4-9-002:061 (POR), (2) 4-9-014:001 (POR), AND (2) 4-9-014:009 (POR) (A21-810)

The Department of Planning (Department) is in receipt of the above-referenced District Boundary Amendment (DBA) for the proposed Project to be reviewed by the State Land Use Commission (SLUC) under expedited 201H-38 processing related to the provision of affordable housing. The Department understands that the acreage proposed for redistricting is approximately 56.436 acres. The Department has consistently supported this Project for the construction of 150 single-family homes consisting of both workforce housing units and market-rate units as fulfilling part of the critical housing shortage for Lanai residents. The Department of Housing and Human Concerns (DHHC) was the approving agency for the Environmental Assessment which was required by the use of County of Maui lands for the relocation of existing sewer lines and improvements in the County right-of-way. The Department acted in the role as a commenting agency and provided coordination for comments from the Lanai Planning Commission to the DHHC for its review in the EA and 201H-38 application.

In accordance with HAR §15-15-55 of the LUC’s Rules, the Department supports, subject to conditions, the DBA filed by the Petitioner to reclassify approximately 56.436 acres (hereinafter referred to as the “Petition Area”) from the Agricultural District to the Urban District at Lanai City, Hawaii. The LUC’s

primary mission in this case is to determine if the lands under question are appropriate for redesignation from agricultural use to urban uses.

The Department's comments on the Project during the EA review process are noted in **Document 1** attached to this letter. Comments from the Lanai Planning Commission (LPC) during the EA review process are noted in **Document 2** in this letter. All of these comments were reiterated in the April 1, 2021, letter (attached as **Document 3**) on the application for the Hokuao 201H-38 proposal. Subsequent responses from the Petitioner on both comments from the Department and the LPC are noted in **Document 4** in this letter. Issues of concern from the community include, but are not limited to, the adequate supply of water for the Project, ensuring that current Lanai residents will have adequate opportunities to qualify for these residences, adequate wastewater capacity and the decision to build a 100% rental community rather than a for-sale community. The 201H-38 application and supplementary information was transmitted to the Maui County Council Affordable Housing Committee for their deliberation and subsequent review by the full Council.

From the Affordable Housing Committee a summation of comments received in support included: 1) the Project would increase the housing inventory on Lanai, helping to address problems with overcrowded households and lack of housing choice and availability, 2) the additional housing units would support workforce recruitment and retention, especially for recent graduates and returning residents, 3) the Project would be entirely privately funded by Lanai Island Holdings, LLC, the parent company of Pulama Lanai, and 4) the residential workforce housing units would be income restricted in perpetuity.

Issues of concern noted from the report from the Affordable Housing Community from the community included: 1) 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, 2) the project might give preferential treatment to some applicants who may not be long-term Lanai residents, 3) the Project may have negative impacts on water, wastewater, and other infrastructure capacity for future adjacent development proposed for the Lanai High and Elementary School Master Plan, the Department of Hawaiian Home Lands residential expansion, and the County's Lanai Affordable Housing Project, and 4) the lack of sidewalks along the Project's internal roads present safety and accessibility concerns, especially for persons with disabilities or mobility issues.

The Department notes the Petitioner's review of wastewater capacity when they state: "*According to the County's Department of Environmental Management (DEM), Wastewater Reclamation Division, the capacity of the Wastewater Reclamation Facility (WWRF) is 0.5 million gallons per day (MGD). The average actual flow is approximately 0.325 MGD. The Project will have an average daily flow of 0.05 MGD. This estimate is based on a 150-unit Project. The use attributable to the Project brings the total average daily estimated flow to 0.375 MGD.*" From these numbers, there is capacity to service the Project. It should be stated that the DEM will not reserve allocation until building permits have been issued. The Department is aware of the near term future capacity limit of the Lanai wastewater system and encourages all parties to expeditiously continue planning for capacity enhancement to serve potential future projects.

The Department notes that the Lanai Water Company privately owns the domestic water supply on Lanai. Furthermore the Department notes the Petitioner's review of water availability when they state: "*The estimated demand (0.0917 MGD) plus the January 2020 12-month moving average for the entire island (1.6 MGD) results in an estimate overall usage of approximately 1.6917 MGD. These water estimates include the water necessary for the proposed one-acre park. This is well below the 4.3 MGD threshold set by the Commission on Water Resources Management that triggers the reinstatement of proceedings for designation of Lanai as a groundwater management area.*" The Department encourages all parties involved to coordinate water availability on Lanai for this Project.

As related to the County's General and Community Plans, the Council granted an exemption 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 Lanai Community Plan map. The exemption will allow the Project to follow "Single-Family" and "Park" design standards and permitted uses, as proposed.

During debate at the Affordable Housing Committee and full Council levels conditions addressing items of concern included, but were not limited to, sidewalks, application selection process, timing of market and residential workforce unit construction, project deadline for construction, and water availability, which were added to the Resolution approving the project. Overall, support for this important residential project has been consistent throughout the environmental review and 201H-38 processes which recently concluded with the Maui County Council's approval of the Project, with conditions and exemptions, as noted in **Document 5** which is Resolution No. 21-136 adopted on September 3, 2021, as amended.

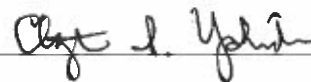
HAR §15-15-59(c)(4) of the LUC's Rules, requires a review in the Petition as follows: *"The reclassification sought and present use of property, including an assessment of conformity of the reclassification to the standards for determining the requested district boundary amendment."* As stated in the Petition and supporting this objective for reclassification *"Pulama Lanai seeks the reclassification of the Petition Area from the Agricultural District to the Urban District in order to develop a 201H affordable housing project. The Project Area is located on former pineapple fields, former landscaping nursery and former community gardens and is current undeveloped. Pursuant to HAR §15-15-18 setting forth the standards for determining Urban District boundaries, such districts shall include "lands characterized by 'city-like' concentrations of people, structures, streets, urban level of services and other related land uses;" and "shall take into consideration the following specific factors: proximity to centers of trading and employment ...; availability of basic services such as schools, parks, ... public utilities ... and; sufficient reserve areas for foreseeable urban growth."*

The Boundary Amendment sought in this Petition conforms to the standards required in the LUC's Rules for reclassification. A majority of the Petition Area is an extension of similar land uses in the adjoining community of Lanai City, the economic hub of the Island. Furthermore, this location is in close proximity to available public services, resources, employment, and schools, which makes the Petition Area ideal for this residential workforce housing project and for reclassification to the Urban District.

Recommendation

Based on our review of the information provided in the Petition, the Department of Planning finds that the proposed reclassification to the State Land Use Urban District is consistent with the standards for determining Urban District boundaries as set forth in the LUC's Rules. The reclassification would greatly assist in the development of critical affordable housing for Lanai residents. The Planning Department supports this Petition for a District Boundary Amendment to provide the requested Urban designation.

DATED: Wailuku, Hawaii, October 20, 2021.



for MICHELE MCLEAN, AICP
Planning Director

Attachments: Documents 1, 2, 3, 4 and 5
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