



UNIVERSITY OF THE NATIONS, KONA

August 8, 2022

LAND USE COMMISSION
STATE OF HAWAII

2022 AUG -8 P 1:06

Mr. Daniel E. Orodenerker
Executive Officer
State of Hawai'i Land Use Commission
P.O. Box 2359
Honolulu, Hawai'i 96804-2359

Re: LUC Docket No. A02-737 (U of N Bencorp)
2022 Annual Report
Tax Map Key Nos. (3) 7-5-010:085 & (3) 7-5-017:006

Dear Executive Officer Orodenerker:

The Land Use Commission ("**Commission**") issued its *Findings of Fact, Conclusions of Law, and Decision and Order for a State Land Use District Boundary Amendment* ("**D&O**") in Docket No. A02-737 on August 8, 2003. The Petitioner under the D&O was the U of N Bencorp ("**UNB**"). The University of the Nations, Kona, Inc., a Hawai'i nonprofit corporation ("**UNK**"), is the successor-in-interest to UNB and the owner of those certain parcels of land reclassified under the D&O, presently identified by Tax Map Key Nos. (3) 7-5-010:085 and (3) 7-5-017:006 ("**Petition Area**"). UNK hereby submits its 2022 Annual Report in compliance with Condition No. 17 of the D&O.

On March 23, 2020, UNK filed its *Motion to Amend Findings of Fact, Conclusions of Law, and Decision and Order* ("**Motion to Amend**"), which sought Commission approval to proceed with UNK's master-planned expansion of its existing campus, located immediately adjacent to the Petition Area. At the Commission's July 23, 2020, meeting, UNK presented a status report and informed the Commission that it would be conducting an environmental review, pursuant Hawai'i Revised Statutes Chapter 343, in connection with the Motion to Amend. At the conclusion of the meeting, the Commission voted to dismiss the Order to Show Cause, filed on March 29, 2019 ("**OSC**").

As the Commission is aware, around the end of March 2020, Governor Ige announced a mandatory 14-day quarantine period for all travelers into Hawai'i and stay-at-home orders went into effect. UNK closed its campus two weeks prior to the end of its first quarter, in March of 2020. That closure resulted in the majority of UNK's administrators, instructors, consultants and students leaving Hawai'i, since more than 90% of its students and faculty come to UNK from the mainland or internationally.

UNK's campus also remained closed for the entire second quarter of 2020. When faculty and students finally returned, they returned in numbers that were significantly lower than previous counts before the pandemic. In 2021, UNK had about half of the students it did in 2019. With the significant reduction in funding and revenue caused by the decrease in student enrollment, UNK's administration was primarily focused on maintaining its operations on the existing campus.



As a result of strict international and Hawai'i travel restrictions and re-entry requirements, many of UNK's staff, students, and volunteers were not able to immediately return and the process of reopening the UNK campus was slow. Among other things, UNK was forced to comply with strict COVID-related restrictions, including redesigning and reconfiguring classrooms and common spaces to allow for social distancing, all of which was a significant undertaking for UNK. In 2022, UNK's attendance numbers finally returned close to the pre-pandemic levels of 2019.

As previously explained to the Commission, UNK's volunteer staff, consultants, students, and workforce not only play a critical role in UNK's day-to-day operations as an educational and religious institution, but are also central to its efforts to expand its existing campus onto the Petition Area. Therefore, when UNK's campus was forced to close, it lost a significant portion of the team heading UNK's master plan expansion. Even after UNK's staff and students started to return to Hawai'i, their focus and attention was on fully reopening UNK's campus and returning to normal operations. Not only has the UNK suffered limitations during this pandemic due to the restrictive environment caused by the pandemic, but the specialists who were assisting the UNK in the development of the needed plans also were restricted. Simply put, the pandemic forced UNK to prioritize its economic and organizational survival in order to keep its operations viable and doors open, so that it could continue to fulfill its mission. Now that the health conditions have returned to normal, the UNK is wholeheartedly pursuing the completion of all that is needful for the campus expansion.

Despite all of the interruptions and impacts of the pandemic, UNK has continued to move forward with its campus expansion plans for the Petition Area. On February 10, 2021, the Commission heard and granted UNK's *Motion Requesting the Land Use Commission to (A) be the Accepting Authority for an Environmental Impact Statement, and (B) Determine that the Proposed Action Warrants the Preparation of an Environmental Impact Statement*. On March 25, 2021, UNK held a public scoping meeting for its forthcoming Environmental Impact Statement ("EIS").

After holding the scoping meeting, and in response to some of the impacts of the pandemic, UNK revisited the scale and scope of its master plan. That resulted in UNK deciding to scale down certain aspects and elements of the master plan from what was presented to the Commission in the Motion to Amend. As a result, UNK has been working on reducing the scale of its master plan and finalizing the information needed for the Draft EIS and its supporting technical studies. UNK presently anticipates that its Draft EIS will be published in the first quarter of 2023.

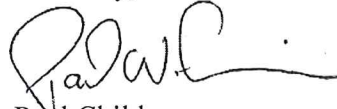
With respect to its compliance with the conditions of approval under the D&O, UNK incorporates by reference its 2008-2019 Annual Report, filed March 28, 2019, the Motion to Amend, and its other pleadings and filings in this Docket.

In addition, UNK has also been working with the County of Hawai'i's Office of Housing and Community Development ("OHCD") to confirm that all affordable housing obligations related to its predecessor's development of Hualalai Village (immediately adjacent to the Petition Area) have been satisfied, and to determine whether UNK may be entitled to any additional affordable housing credits as a result of the affordable units provided at Hualalai Village. Most

recently, on June 7, 2022, UNK met with OHCD's Housing Administrator Susan Kunz to discuss these issues, and UNK is in the process of providing OHCD with additional information on the affordable housing units it has provided. UNK's discussions with OHCD remain ongoing.

I would like to once again thank the Commission for its continued support of UNK's master-planned expansion of its campus. Should you have questions, please do not hesitate to contact me at (808) 326-7228.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul Childers", with a stylized flourish at the end.

Paul Childers

University Leadership Team Member

cc: State of Hawaii, Office of Planning and Sustainable Development
County of Hawaii, Planning Department