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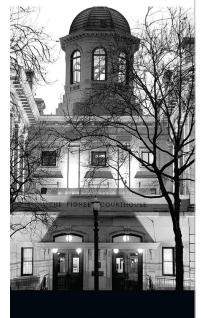
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STATE OF HAWAII LAND USE COMMISSION

Meeting held on April 12, 2023 Commencing at 9:30 a.m. Held at

West Hawai'i Civic Center Community Meeting Hale, Haynes Room 74-5044 Ane Keohokalole Highway Kailua-Kona, Hawai'i 96740

- I. CALL TO ORDER
- II. **ADOPTION OF MINUTES** February 8-9, 2023
- III. TENTATIVE MEETING SCHEDULE
- IV. A81-525 Y-O LIMITED PARTNERSHIP (Hawai'i)

 To Consider Petitioner's Motion For Extension of Time To Apply For Redistricting Of Phase II That Consists Of Approximately 195.246 Acres Of Land Situation In The Agricultural District T At Kaloko And Kohanaiki, North Kona, Hawai'i. Tax Map Key No. (3)7-3-09:19,20 And 57 To 62.
- V. RECESS

BEFORE:



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1
                      PARTICIPANTS (CONTINUED)
 2
 3
   COUNTY OF HAWAII:
 4
   Jean Campbell, Deputy Corporation Counsel
 5
   Zendo Kern, Director, Hawaii Planning Department
 6
 7
 8
   PETITIONER
 9
   William Yuen, Esquire, Petitioner's Attorney
10
11
   PETITIONER'S WITNESSES
12 | William Moore
13 Keith Kato
14
   Mark Mayer
15
16
   PUBLIC TESTIMONY (ROUND 1)
17
   Kimberly Crawford
18
   Ruth Aloua
19
20
   PUBLIC TESTIMONY (ROUND 2)
21
   Kimberly Crawford
22
   Ruth Aloua
23
   Thomas Yeh
24
25
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VICE-CHAIR CABRAL: Aloha, mai kakou, and good morning and welcome to the Big Island, the week of Merrie Monarch. This is the April 12th, 2023, Land Use Commission meeting. This is an in-person meeting which is being held at the West Hawai'i Civic Center, which is 74-5044 Ane Keohokalole Highway.

My apologies. I am tone deaf, and now I'm getting deaf, so all of this is so much harder than it should be, but that's age and disability, so.

And this meeting is open to the public. I'm usually loud enough.

Court reporting transcriptions are being done from this meeting on Zoom, so for all meeting participants, we would like to stress the importance of speaking slowly, clearly, and directly into your microphone. Before speaking, please state your name and identify yourself for the record.

Even though this is an in-person meeting, please be aware that all meeting participants are being recorded on the digital record of the Zoom meeting for the court reporting purposes. Your continued participation is your implied consent to be a part of the public record for this event. If you do not wish to be part of the public record, you

1 should exit this meeting at this time.

I will also share with all participants that we will take breaks from time to time.

My name is Nancy Cabral, and I currently serve as the Land Use Commission vice-chair. We currently have eight seated commissioners. We have Commissioner Lee Ohigashi to my left, Commissioner Gary Okuda to my left, Commissioner Ku'ike Kamakea-'Ohelo to my right, Commissioner Michael Yamane to my right, and Commissioner Mel Kahele to my left, and Commissioner George Atta to my right.

Commissioner Dan Giovanni is excused from this meeting.

Also in attendance is the Land Use

Commissioner Chief Planner Scott Derrickson, Planner
Riley Hakoda, Staff Planner Martina Segura, and our

Chief Clerk Ariana Kwan, and our Executive Officer

Dan Orodenker. And via Zoom we have, representing
the Attorney General's Office for the Land Use

Commission, Dan Morris.

Our first order of business would be the adoption of the February 8th and 9th, 2023, minutes. Do I hear anything from our commissioners on those minutes?

COMMISSIONER OHIGASHI: I move we adopt



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them.
 1
             VICE-CHAIR CABRAL: We have a motion and a
 2
 3
   second. Okay. Got the motion. Commissioner
   Ohigashi and 'Ohelo moved to second. Moving on, all
   those in favor?
 5
 6
             (A chorus of ayes).
 7
             VICE-CHAIR CABRAL: Anyone oppose? Thank
8
   you. We consider the minutes approved.
 9
             Ms. Kwan -- Mrs. Kwan, do you have any
10
   written testimony submitted on those minutes?
11
             MS. KWAN: No, Madam Chair.
12
             VICE-CHAIR CABRAL: I should have asked
13
   that first, so thank you with no further ado of
   adoption of the minutes. We could reconsider that
14
1.5
   vote if necessary. Okay.
16
             All right. Okay. The next order on the
17
   agenda is a tentative meeting schedule.
18
             Executive Director Orodenker, can you
19
   please provide us our meeting schedule?
20
             MR. ORODENKER: Thank you, Madam Chair.
21
             On the 26th of April, we will be at the
22
   airport on O'ahu for the Waiawa Correctional
23
   Facility. On May 10th, we will be at the Foreign-
   Trade Zone on O'ahu and for the Waiawa Correctional
24
25
   Facility matter. That may actually move to Thursday
```

testimony that may have been submitted in this

25

opportunity to provide any rebuttal on that information.

23



The petitioner will then be given an

The public will then again be given 1 2 another opportunity to provide public testimony in 3 the same manner as set forth previously. After all parties have presented their 4 5 arguments, the commission will conduct formal deliberations and issue a decision on the motion. 6 7 I would also note for the parties and the 8 public that from time to time I will be calling for short breaks of possibly ten minutes every hour, and 10 we will have a longer lunch break in the middle of 11 the day. Are there any questions on the procedures 12 for today? Okay. Thank you. 1.3 Do any of our commissioners have any disclosures to make at this time? 14 15 Commissioner Okuda? 16 COMMISSIONER OKUDA: This is Gary Okuda. 17 Thank you, Ms. Chair. I'd like to make two 18 disclosures. One disclosure is that Mr. Yuen's law 19 firm, the Dentons law firm, represents the Hawai'i 20 Medical Association's HMSA in an arbitration which 21 involves myself as a claimant. My involvement in 22 that case will not affect my impartiality in this 23 matter.

partner, Louise Ing, is married to my longtime high

My second disclosure is that Mr. Yuen's

24

```
school friend, Michael Sitch, although since the
 1
   commencement of the pandemic, we have not socialized
 3
   or met or done anything like that. So I make those
   two disclosures.
 4
 5
             VICE-CHAIR CABRAL: Thank you very much.
 6
             Does anyone have a problem with the
 7
   information provided of potential conflict from
   Commissioner Okuda? Okay.
 8
 9
             Thank you very much for the information.
10
             Anyone else with anything to disclose in
11
   regard to this case?
12
             Petitioner Yuen?
13
             MR. YUEN: Good morning, Chairman Cabral
14
   and commissioners. My name is William Yuen. I am
15
   the attorney for petitioner RCFC Kaloko Heights,
16
   LLC; Kaloko Heights B1A Holdings, LLC; and Kaloko
17
   Heights Investors LLC. With me is Mark Meyer, who
18
   is the project manager for the petitioners.
19
             VICE-CHAIR CABRAL: Okay. Thank you for
20
   leading us into identifying all of those folks
21
   present. Okay. Thank you. Now let me go back.
22
   skipped that part.
23
             Office of Planning and Sustainable
24
   Development, can you folks go ahead and identify
25
   yourself, please? Who's present today?
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1
             MS. KATO: Alison Kato, deputy attorney
 2
   general, and Katia Balassiano from Office of
 3
   Planning and Sustainable Development. Thank you.
 4
             VICE-CHAIR CABRAL: Okay. Thank you very
 5
   much.
 6
             And County of Hawai'i?
 7
             MS. CAMPBELL: Good morning, everyone.
   on? I think we were on; right?
 8
 9
             VICE-CHAIR CABRAL: Okay.
10
             MS. CAMPBELL: Good morning, everyone.
11
   Jean Campbell, deputy corporation counsel,
   representing the Planning Department of the County
12
13
   of Hawai'i, and with me is Director Zendo Kern, our
14
   planning director.
15
             VICE-CHAIR CABRAL: Okay. Thank you very
16
   much.
17
             Okay. Now let me review the record and
18
   update it for everyone concerned. On January 20th,
19
   1983, the commission issued its Decision & Order to
20
   amend the district boundary property situated in
   North Kona, Island of Hawai'i. That's the 1983 D&O.
21
22
             On November 22, 2022, petitioner filed a
23
   Motion of Extension of Time to Apply for
24
   Redistricting of Phase 2, Memorandum in Support of
25
   Motion, Declaration of William W. L. Yuen.
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Exhibits A and B, the Certificate of Service. 1 On November 29, 2022, the Land Use 2 3 Commission received the Office of Planning and Sustainable Development extension request. 4 5 On July 19, 2022, the petitioner filed the Motion to Amend Condition 1, Condition 4, Condition 6 7 8B of the Decision & Order filed on February 26, 2018. 8 9 On July 29, 2022, the Office of Planning 10 and Sustainable Development filed its request for the extension of time. 11 On November 29, 2022, the Land Use 12 13 Commission granted the Office of Planning and 14 Sustainable Development its request for extension. 15 On January 4, 2023, the petitioner filed a 16 Second Supplemental Memorandum in Support of the 17 Motion for Extension of Time to Apply for Redistricting of Phase 2, the Declaration by William 18 19 W. L. Yuen, Exhibits 33 through 38, Certificate of 20 Service. 21 On January 19, 2023, the Office of 22 Planning and Sustainable Development had a second 23 extension request. 24 On January 31, 2023, petitioner filed 25 Petitioner's Third Supplemental Memo in Support of

25

motion.

```
On April 10th, petitioner filed the Fourth
 1
 2
   Supplemental Declaration of William W. L. Yuen,
 3
   Exhibit List, Exhibit 44, Certificate of Service
   dated 2023-04-07.
 4
 5
             On April 10th, the Land Use received three
 6
   public testimonies from Kaloko-Honakohau NHP and
 7
   from Isaac "Paka" Harp and from Tanya Souza.
             On April 10th, the staff report signed and
 8
 9
   made publicly available -- was made publicly
10
   available.
11
             On April 10th, the petitioner filed the
12
   Fifth Supplemental Memorandum in Support of the
13
   Motion for Extension of Time to Apply for
   Redistricting of Phase 2, Exhibit List, Exhibit 45,
14
   Certificate of Service dated 2023-04-10.
15
             On April 11th, the Land Use received
16
17
   public testimony from Antu Harvey, petitioner's
18
   Stipulated Agreement.
19
             Thank you. Reimbursement policy. Good
20
   morning, Mr. Yuen. Have you reviewed HAR 15-15-45.1
21
   regarding the reimbursement of hearing expenses?
22
             MR. YUEN:
                         Yes.
23
             VICE-CHAIR CABRAL: Could you state your
24
   client's position with respect to this policy?
25
                         Petitioner is agreeable to
             MR. YUEN:
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```
reimburse the commission for hearing expenses.
 1
 2
             VICE-CHAIR CABRAL: Okay. Thank you very
 3
   much.
             Public testimony. I will now recognize
 4
 5
   the written public testimony submitted in this
   matter, identifying the person and organization
 7
   submitting the testimony.
             Ms. Kwan, have we had any written
8
   testimony submitted in this order?
10
             MS. KWAN: You already got all the
   testimony received so far. We haven't received
11
12
   anything as of yesterday.
13
             VICE-CHAIR CABRAL: Okay. So I'm showing
14
   that there was something from Deborah Chang
15
   submitted on April 5th, and that was submitted as
   public comments. Okay. All right.
16
17
             So, Ms. Kwan, are there any members in the
   public signed up to testify on A81-525 Y-O Limited?
18
19
             MS. KWAN: Yes, Madam Chair. You have the
20
   list on your computer.
21
             VICE-CHAIR CABRAL: Thank you. I do see
22
   that, but I wasn't sure it was up to date. Okay.
23
   I'd like to go ahead and call up public testimony.
24
             Kimberly Crawford? Thank you for finding
   your seat there. May I swear you in?
```

1	MS. CRAWFORD: Yes.
2	VICE-CHAIR CABRAL: Okay. Do you swear or
3	affirm that the testimony that you're about to give
4	is the truth?
5	MS. CRAWFORD: Correct.
6	VICE-CHAIR CABRAL: Thank you. Please
7	state your name and address for the record, and
8	proceed with your testimony.
9	MS. CRAWFORD: My name is Kimberly
10	Crawford. My address is 73-1167 Loloa Drive.
11	VICE-CHAIR CABRAL: That's in Kailua-Kona?
12	MS. CRAWFORD: Kailua-Kona, Hawai'i 96740.
13	VICE-CHAIR CABRAL: Okay. Thank you very
14	much.
15	MS. CRAWFORD: Thank you.
16	VICE-CHAIR CABRAL: Go ahead and proceed.
17	MS. CRAWFORD: Good morning, commission.
18	Today I am asking you to defer the project in front
19	of you. I would like to ask you to update the EIS.
20	I'd like to ask you to update the traffic impact
21	analysis, and I'd like to ask you to update the
22	water impact analysis.
23	I am speaking to you today as a mother. I
24	have three girls that are born and raised in
25	ahupua'a of Kalala, and we have for eight years been

a family of kia'i loko at Kaloko-Honokohau National
Park. We are not affiliated with the national park
in any way. We are a community-led group working
for the restoration of the fishpond.

Our fishpond is an 11-acre fishpond, and over the course of eight years, we've had the privilege of learning about the system and the way that the fishpond operates and feeds the larger ocean. But that happens only from the correct management of the ahupua'a above the fishpond as well.

So I'd like to just give you a little bit of background of what we know about the fishponds and my expertise.

So when the rain falls on the mountains in this project zone, which was once of the Kona Field System, which had kui ulu kahalo, plenty plants to collect and furnish that rain and put it into the aguifer.

That water then makes its way to our fishpond. It's purified. It's full of microbes.

Those microbes then feed our diatoms and our planktons, and that is the base of the food system in our fishpond. And without that base, our fishpond couldn't exist or flourish.

So from then, from the diatoms, we have our herbivores fish, our 'ama'ama, our anai, which are mullet, and our awa, our milkfish, which are the main fish we raise. So without that bottom food chain, those fish that we target to raise would not be able to thrive.

From then in our fishpond, it goes up to the apex predator, the barracudas, who then wean out the fish that are unhealthy.

But the magic happens when our fish go out into the ocean to reproduce. They lay their larvae from 2,000 to 7,000 feet in the ocean, leaving our 10-foot fishpond; right? And that larvae then smells that concentration of fresh water that comes from our fishpond, those diatoms, those planktons.

As they photosynthesize, they create sugars, and those sugars attract them back to our fishpond. So we need to have a mass concentration of those diatoms and those planktons flourishing to call them back into our fishpond once they're done mating.

And also the larvae get called back into our fishpond, from tiny little larvae to fingerlings that make their way from the deep ocean into our pond often. And those larvae, when they're out in

the ocean, they also do the favor of feeding our pelagics.

outside of Kona, you see different color streaks in the ocean. Those are ma'oki'oki streaks, and those often carry huge currents of plankton and larvae of our fish, the reef fish, mussels, everything you can think of. And that feeds the pelagics in the ocean.

Kona is known for being wonderful fishing grounds. Sports fishing is very popular in Kona.

And that is attributed to the amount of food that those pelagics get in our area.

So I believe that with this development, instead of restoring the Kona Field System, or at least partially putting it into your project, that you will be impacting our fishpond detrimentally beyond repair. And I believe that's something that needs to be considered moving forward.

VICE-CHAIR CABRAL: Thank you very much for your testimony. Might I ask that you would note -- you referenced an organization that's your volunteer organization, but you didn't name it. Are you willing to give us the name of your group?

MS. CRAWFORD: Hui Kaloko-Honokohau.

VICE-CHAIR CABRAL: Thank you very much.

And fantastic, interesting information. Thank you. Okay. I did give you extra time, so thank you. Wait, any questions? Hold on. Hold on. Wait, wait, in case we have questions from the 5 commissioners. 6 MS. CRAWFORD: Okay. 7 MR. YUEN: No questions from the 8 petitioners. VICE-CHAIR CABRAL: Okay. No questions 9 10 from petitioners. 11 Office of Planning and Sustainable 12 Development? 13 MS. CAMPBELL: County of Hawai'i has no 14 questions. 15 VICE-CHAIR CABRAL: Okay. Thank you. 16 Yeah. Well, you're the Office of Planning. You're 17 the Office of Planning. Yes. 18 State Office of Planning? MS. KATO: No questions from OPSD. Thank 19 20 you. 21 VICE-CHAIR CABRAL: All right. 22 Commissioners, any questions? 23 Commissioner Okuda? 24 COMMISSIONER OKUDA: This is Gary Okuda. 25 Ms. Crawford, thank you very much for your

testimony. Let me frame my question.

My question is designed to elicit more information to help us determine whether or not under the Hawai'i Supreme Court case Unite Here!

Local 5 versus City and County of Honolulu -- it's found at 123 Hawai'i Reports 190; I'm sorry, 150 231 P.3d 423A 2010 Hawai'i Supreme Court case -- whether or not an environmental impact statement is required here or whether if an environmental impact statement had been prepared, whether or not, because of the passage of time, such statement is stale, and so an updated EIS needs to be prepared.

So my question is basically this. When did your group start this work on the fishpond that you have described in your testimony?

MS. CRAWFORD: In 2015.

time since the time that you started work on the fishpond, or your group started work on the fishpond, were you consulted in any way about the potential environmental impacts of this development on your fishpond or the area around your fishpond?

MS. CRAWFORD: No.

COMMISSIONER OKUDA: Okay. The order -25 the initial order in this case was entered in 1983,



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so just so that I'm clear, since 1983 no one has
 1
   contacted you as far as potential impacts on your
 3
   fishpond with respect to this development.
 4
             MS. CRAWFORD: Well, I was born in '92, so
 5
   -- but, no, not since 2015.
 6
             COMMISSIONER OKUDA: Okay. Well, to the
 7
   best of your knowledge, and since administrative
   agencies can rely on hearsay or secondhand stories,
 8
   as long as it's reliable, are you aware of any
10
   inquiries being made to anyone that you know of
11
   connected with the fishpond as far as the potential
12
   environmental impacts to your fishpond by the
13
   development?
14
             MS. CRAWFORD: Absolutely not.
15
             COMMISSIONER OKUDA: How far is your
16
   fishpond from the development?
17
             MS. CRAWFORD: Oh, I can't tell you for
18
   certain, but maybe less than three miles.
19
             COMMISSIONER OKUDA: Less than three
20
   miles. And I know this might sound like a
21
   commonsense question, but I'll ask anyway for
22
   completeness of the record. Is the development
23
   upland from your fishpond, or on the side, or what's
24
   the geographic relationship?
25
             MS. CRAWFORD:
                           It's directly upland of our
```

fishpond. It's in one of the -- it is in the 1 ahupua'a that our fishpond occupies. Our ahupua'a 3 is named after our fishpond by locals. 4 COMMISSIONER OKUDA: Okay. Have you at 5 any time personally observed any runoff coming from 6 upland properties into your fishpond? Water runoff? 7 MS. CRAWFORD: No. COMMISSIONER OKUDA: Okay. Thank you very 8 9 much. 10 Ms. Chair, I have no further questions. 11 VICE-CHAIR CABRAL: Thank you very much. Thank you, Ms. Crawford. 12 13 And another person signed up at this time. Ruth Aloua? 14 MS. ALOUA: Aloha mai k?kou. 'O Ruth Aloua 15 16 ko'u inoa. Mauna Haleakala ko'u mauna. 'O Kona pu 17 'aina kupuna o Kalapaku loko. 'O Kona kai malino o 18 ko'u kai. 'O loko wai 'awa'awa, wai'ula, wai 19 'ula'ula, wai loli pu'uwai. 20 (Hawai'ian language provided by the Land 21 Use Commission for inclusion in the transcript.) 22 My name is Loke Aloua, Ruth Aloua. My 23 mountain is Hualalai. My ancestors, they come from 24 Kona, both from my grandfather's lineage, the 25 Hoapili lineage, also the Hoomahunui family, which

```
is a South Kona family. My fishpond is Kaloko, and
 1
   my waters are all the waters that are named --
 3
             VICE-CHAIR CABRAL: Wait, wait. May I
   swear you in first?
 4
 5
             MS. ALOUA:
                         Okay.
 6
             VICE-CHAIR CABRAL: Thank you. Thank you
 7
   for letting us know your name, and I would like your
   address also. Can I swear you in? Do you swear and
   affirm that the testimony that you're about to give
10
   is the truth?
11
             MS. ALOUA:
                         Yes.
12
             VICE-CHAIR CABRAL: Thank you. Go ahead
13
   and proceed. Four minutes more.
14
             MS. ALOUA: Okay. So the project, it's a
15
   lot to take in in just, you know, I don't know,
16
   maybe a week or so or two weeks. But the project is
17
   '83 -- began in 1983. The agreements were made.
18
   That's a long time ago, and a lot has changed.
19
             I would have been here in 1983 testifying,
20
   but I wasn't born yet. And so that's why I'm here
21
   today is to influence the future of this project,
22
   and so requesting a delay of decision to look
23
   further into this matter, and also requesting that
24
   supplemental studies be done.
25
             One of the supplemental studies is updated
```

archaeological inventory survey, that given the
recent find that happened after the initial survey
was approved, it should be enough of a reason to
require an updated survey, given that this project
size is so huge and that the archaeological record
is limited. And this really flowed out of our Kona
families.

And so we're looking at Kaloko and Kohanaiki. We're not just looking at these two ahupua'a. We're looking at the Kekahas, which is the entire region which you folks didn't look at in you folks' studies.

Another thing I want you folks to look at is the water units. This project has been approved for approximately 1,500 water units. There has been things such as climate change that is before us which should be considered, which hasn't been considered.

Another thing is traditional and customary practices and how additional withdrawal is going to impact these practices and the groundwater-dependent ecosystems that are relying on the water credits.

So you might have the water credits, but you haven't done the proper analyses for this project to move forward.

I'm also going to ask you to look into the infrastructure improvements on a broader scale. Kona Hospital is on the verge of shutting down on a daily basis. The project before you will add stress to the current system. We have a nurse shortage.

We don't have the funding for the improvements.

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Others don't have anywhere to go, and yet we're going to say, hey, bring more folks here? time that it would take for an ambulance to get mauka to the hospital at rush hour. Those things need to be analyzed before this project can be allowed to move forward.

Another thing I'm curious about is the Kona Community Development Plan, which actually called for additional housing. But it's not calling for a gated community. If I was here in 1983, I would have argued for more than just 10 percent of this housing to go for affordable homes. Ninety percent is going to be sold at market price. exactly is going to be able to afford these homes? I don't know. I'm curious.

This doesn't solve or acknowledge the things that are listed in the Kona Community Development Plan that specifically called for multiple economic zones that are mixed use for

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people who are here who buy homes and to live here.
             It's a 400-acre project. A lot has to be
 2
 3
   done, and I just ask you for more time and asking
   for you folks to delay, to come to the fishpond
 5
   even, to look at the fishpond, to see that it's the
   only one out in Kona of its size. It's so unique in
 7
   the state that it's worthy, and it's deserving of
   further inquiry. So please delay the matter.
8
 9
             VICE-CHAIR CABRAL: Thank you.
10
             Any questions from the petitioner?
11
             MR. YUEN:
                        No questions.
12
             VICE-CHAIR CABRAL: Okay. Questions from
13
   County of Hawai'i?
             MS. CAMPBELL: No questions. Thank you.
14
15
             VICE-CHAIR CABRAL: Questions from OPSD?
16
             MS. KATO: No questions. Thank you.
17
             VICE-CHAIR CABRAL: Okay. Commissioners,
18
   questions?
             Commissioner Okuda?
19
20
             COMMISSIONER OKUDA: Thank you, Ms. Chair.
21
   This is Gary Okuda.
22
             Thank you for your testimony. My
23
   questions again relate to the Hawai'i Supreme Court
24
   case, Unite Here! Local 5 versus City and County of
25
   Honolulu and the requirements that that case spells
```

1 out.

You testified or you mentioned archaeological discoveries. Can you tell me when these discoveries were last found or first discovered in a timeframe? And then I'm going to ask you if you can describe exactly what types of archaeological discoveries were discovered.

MS. ALOUA: Yeah. So I'm referring to -- and this is also mentioned in the testimony of Tanya Souza, Deborah Chang, and a Hawai'i article that was also submitted as testimony.

And in particular, what I remember is the burial that was found, which is a pretty big deal. The other thing is the complex, the ceremonial complex, the other contradictory statements regarding the historic trail system. So those are the three that I could think of, and I think in the exhibit submissions, the final AIS was for 2005, and it was post that that these things were discovered.

COMMISSIONER OKUDA: Can you give an approximate date to the best of your knowledge when these items were discovered post any type of environmental report?

MS. ALOUA: I received consultation with individuals -- I think it was in 2017 or '18 --

regarding the burials that were found regarding 1 realignments. I don't have the exact date, but it 3 was just a few years ago, right before COVID -- or right during COVID, actually. I think that's when 5 this happened. 6 COMMISSIONER OKUDA: Okay. And when you 7 say you received consultations, what do you mean by 8 you received consultations? 9 MS. ALOUA: Just receiving contact from 10 archaeologists who were trying to basically mitigate 11 the impacts to the things that were found post the AIS, the original AIS. 12 13 COMMISSIONER OKUDA: So you were contacted 14 by archaeologists. 15 MS. ALOUA: Yes. 16 COMMISSIONER OKUDA: Okay. And that was 17 in 2017, approximately. MS. ALOUA: Yeah. I actually might be 18 19 wrong. It might be 2019, because it was digital, so 20 it could have been during COVID. 21 COMMISSIONER OKUDA: Oh, okay. Well, it 22 wasn't back in 1983. 23 MS. ALOUA: Oh, no. 24 COMMISSIONER OKUDA: Your family has lived 25 in this area for how many generations, if you know?

```
1
             MS. ALOUA: It's a very long time.
   pre- contact, like for seven of the chiefs, several
   chiefs that have ruled Kona specifically, and so my
   lineage goes back to the chiefdoms of Kona.
 4
 5
             COMMISSIONER OKUDA: So your lineage is
 6
   actually rooted in the area of this project; is that
 7
   correct?
             MS. ALOUA: It's rooted in the Kona
 8
   district. Yes.
10
             COMMISSIONER OKUDA: Yeah. And I don't
   mean to mischaracterize your testimony or put words
11
   in your mouth, so tell me if, you know, anything I'm
12
13
   saying is mischaracterizing it, but you would want
14
   to be able to have consultation or give input on
15
   these types of matters and the matters that you've
16
   described in your testimony; is that correct?
17
             MS. ALOUA:
                         That is correct.
18
             COMMISSIONER OKUDA: Okay. Thank you very
19
   much.
20
             Madam Chair, I have no further questions.
21
             VICE-CHAIR CABRAL: Thank you,
22
   Commissioner Okuda.
23
             Any other commissioners have any questions
24
   or comments?
25
             All right.
                         Thank you very much.
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All right. Is there anyone else in the
 1
 2
   audience today who would like to provide public
 3
   testimony at this time?
             Okay. I'd now like to ask for the
 4
 5
   admission of exhibits that have been submitted.
 6
             Petitioner, Mr. Yuen, would you please
 7
   describe your exhibits that you wish to have
 8
   admitted to the record?
 9
             MR. YUEN: I've submitted 45 exhibits that
   I'd like to move into evidence. Each consists
10
   primarily of the -- a lot of it is the
11
12
   archaeological studies that were done, the approvals
13
   by SHPD, and primarily other information that the
   Office of Planning requested from us in order to
14
15
   evaluate the request for the time extension.
16
             VICE-CHAIR CABRAL: Okay. Are there any
17
   objections from the parties accepting these exhibits
18
   that have been submitted?
19
             County of Hawai'i, any objection?
20
             MS. CAMPBELL: No objections from us.
21
   Thank you.
22
             VICE-CHAIR CABRAL: Office of Planning and
23
   Sustainable Development, any objections?
24
                        No objections.
             MS. KATO:
                                         Thank you.
25
             VICE-CHAIR CABRAL: Commissioners, any
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1
   questions?
             Okay. Hearing none, the petitioner's
 2
 3
   exhibits, 45 of them, are now admitted to the
 4
   record.
 5
             County of Hawai'i, do you have any
 6
   exhibits that you would like to have admitted to the
 7
   record?
             MS. CAMPBELL: We have no exhibits. Thank
8
 9
   you.
10
             VICE-CHAIR CABRAL: Okay. Thank you very
11
   much.
             Okay. Office of Planning and Sustainable
12
13
   Development, do you have any exhibits that you would
   like to have admitted to the record?
14
15
             MS. KATO: No exhibits. Thank you.
16
             VICE-CHAIR CABRAL: Okay. Thank you very
17
   much.
18
             Okay. At this time we'd now like to
19
   proceed with our presentations. Mr. Yuen, would you
20
   like to provide us your presentation at this time?
21
             MR. YUEN: Yes. I'm going to call three
22
   witnesses. First, Mr. William Moore, who is our
23
   planning consultant. Second will be Keith Kato, who
24
   is going to describe the affordable housing project
25
   that's presently being constructed in the petition
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COMMISSIONER OKUDA: No objections. 1 Thank 2 you. 3 VICE-CHAIR CABRAL: Okay. Commissioners, any comments or objections? 4 5 Okay. Go ahead and proceed. 6 MR. YUEN: Please describe your 7 responsibilities with respect to the Kaloko Heights 8 project. 9 MR. MOORE: I started working with the 10 Kaloko Heights project about 2014 or so, primarily 11 started working on due diligence background information, so looking at the zoning, looking at 12 13 all the entitlement works, looking at what has been done as part of providing information to the 14 15 developer as to what the paths were, what the issues 16 were. 17 I then got involved in the land planning and entitlement strategy, so looking at how do we 18 19 resolve issues related to the project -- and there 20 were a number of them -- and then what are the steps to move forward in terms of proceeding with the 21 22 development of this property. 23 I have now been getting more involved in 24 the project coordination, looking at what it takes 25 in the background information. For example, I did

most of the planning and background work on the sewer line project, which we'll talk about more for this. So a role has been kind of expanding through time.

MR. YUEN: May we have slide 2, please?

Please describe the location of the Kaloko
Heights project.

MR. MOORE: Yes. We have a map up there. They're oriented a little differently. The first one is in a north-south, so the ocean is to the west makai side. The project site is located about two-thirds of the way up from Queen Kaahumanu Highway and the Hawaii Belt Road. It's about four miles from Keahole airport and about five-and-a- half miles from Kailua, so it's right in the center of this Kailua Village-Keahole airport center.

The next slide on the right is orientated in a mauka-makai direction, and it gives you the orientation of the site. I have a pointer, but it doesn't show up on this screen. It just absorbs the light, but the area is outlined in red. The yellow side is Phase 1 with existing zoning.

The road coming down is Hina Lani Street, and on the lower part of that project you'll see an area in purple. That is the Kaloko industrial area

and the West Hawai'i Business Park industrial area.

The area right below the industrial areas is Kaloko-Honokohau National Historic Park. And the area to the right is Honokohau boat harbor, and the area to the left along the shoreline is the Kohanaiki resort development.

So the project area is situated right below Kona Heavens, which is the area in blue, mauka side of that project area.

MR. YUEN: Next slide, please.

Please describe the original site plans for the development of the Kaloko Heights project and the 1983 project zoning.

MR. MOORE: The development, both the representations and plans, goes through the Land Use Commission and the county for us to develop a residential subdivision with a mix of single and multi-family projects or units.

The representations included a maximum development of 1,433 residential units with the mix of about 75 percent single-family and 25 percent multi-family units.

The original site plan again, which is shown there, was based on -- you know, this is really the classic maximized development. There was

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no detailed topo work, so it's just how do you
 1
   maximize development on the layout. And that was the
 3
   basis for the coming up with the projected 1,400
   units.
 4
 5
             And you'll notice that there's no
 6
   preserved sites. This site plan was done before the
 7
   archaeological work had been completed.
 8
                        Next slide, please.
             MR. YUEN:
 9
             Please discuss how the petitioners
10
   complied with the commission's conditions of
11
   reclassification imposed in 1983.
12
             MR. MOORE: Yes. The conditions in the
13
   order started. There was an affordable housing
14
   condition, and it was a 10 percent requirement.
15
   compliance with that in addressing the need for the
16
   community, the developer has agreed and dedicated a
17
   ten-plus acre site to Hawai'i Island Community
18
   Development Corporation for the development of a
19
   100-unit affordable rental project.
20
             What's critical about that is they did not
21
   just get the land, which is readily available, but
22
   it gave water, which is really the critical factor
23
   here in making things happen in West Hawai'i. So it
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was a water and land contribution in order to

24

25

provide housing.

The second condition with respect to access. So as part of that, the developer back around 1990, I believe, completed construction of its portion of Hina Lani Street along with the other developer. This Hina Lani Street is a major maukamakai connector between Hawaii Belt Road and Queen Kaahumanu Highway. And again, that has been completed, again, way in advance of any impacts.

Just for the record, that work was done approximately 1990 at a cost of \$9 million. In today's costs that dollar value would have been over \$20 million, and the road standards would have required a much more expensive road than that.

In addition, in respect to access, the zoning conditions required the construction of intersection improvements at the Hawaii Belt Road and Hina Lani Street, which is offsite. So those improvements were put in in the mid-1990s, turning lanes and a traffic signal.

In terms of public facilities, the site was required to provide water facilities. It has constructed and dedicated an offsite one-million gallon reservoir to the County Department of Water Supply. And in addition, it has dedicated a 1.4-acre to the County Department of Water Supply for a

1 future reservoir. That site does not serve this project 2 3 It really is in anticipation of, you know, with makai. So it was not required to build anything on that site within the project area that 5 was dedicated. 6 7 The other condition related to this is substantial compliance, and we believe that the 8 project development as planned is in substantial 10 compliance with the representations to the commission. 11 12 MR. YUEN: Please describe the 13 petitioner's objectives in revising its 14 predecessor's site planning. MR. MOORE: There's a number of factors 15 16 and information that has come in since this project 17 started. The first major factor was that in 2013 the 18 County of Hawai'i Planning Department developed a 19 plan for a road connection from Hawai'i Road to 20 Kaiminani Drive. 21 MR. YUEN: Next slide, please. 22 MR. MOORE: So this was a new north-south 23 connector that extends through the project area. 24 The original plan had the --

MR. YUEN:

Next slide, please.

MR. MOORE: The original plan had a loop road within the project area, and this Holoholo Street extension would have intersected with that loop road. The Planning Department asked and worked with the developer to see if they could redo their master plan to have that Holoholo Street extension go through as a through street rather than as intersection.

So the box on the right shows the conceptual plans in the black. It's the area in red where now the loop road would intersect into Holoholo rather than Holoholo intersecting into the loop road.

The developers agreed to do this, which required it to rethink its master plan, because that whole initial plan was based on this loop road with everything radiating off of it.

The other major factor that came in is the topographic work were limited development areas.

The project owner decided to do a topographic, a detailed construction-grade topographic survey for the entire Phase 1 area, the 200 acres, at a two-foot contour. And what we found was that while we knew the property was steep, it was a lot steeper than had been anticipated.

Less than 10 percent of the project site has a slope of 5 percent, and 5 percent is pretty steep, when you really look at it. About a third of the project is over 15 percent, and with a significant portion of that over 20 percent in grade. So this area is very steep and difficult to work with.

The other key factor in this is that in working with HICDC for their affordable housing project area, we agreed to give a multi-family zone site. When HICDC -- and Mark's with us to talk about this in more detail -- looked at that site, that area was a great location on Hina Lani and the future Holoholo extension. The problem was that area exceeded 20 percent in slope.

So based on that assessment, the numbers just didn't work from a site work standpoint. It was unfeasible. So HICDC asked us to consider relocating the affordable housing site to what was kept in a park area, which was the broadest area of the property. And in order to make sure this housing project worked, we agreed.

So that required rethinking the park plan and all of the planning components in laying out the master plan.

Next slide, please. 1 MR. YUEN: 2 MR. MOORE: So again, if I can go back to 3 the Holoholo Street, the previous slide, let's find -- yes. Again, this slide is oriented a little differently. The first slide is in a north-south 5 6 direction, so makai is to your left and the Kohala 7 Waimea is to the right. If you look at it, you'll see that 8 Holoholo Street doesn't start within the project 10 area. So that is the original plan, was to loop off, come off the existing loop road. And that 11 12 slide to the right shows you the realigned 13 configuration which we agreed. And again, it just 14 changed how all of the roads work within the system. 15 Because of the steepness going straight 16 mauka- makai, it became really difficult to -- just 17 from a site planning standpoint. 18 MR. YUEN: Next slide. Next slide, 19 please. 20 When did the petitioner complete its 21 archaeological inventory survey, its data recovery 22 plan, and its final preservation plans? 23 MR. MOORE: The archaeological inventory 24 survey was completed in October of 2005. The SHPD,

State Historic Preservation District's approval

occurred that year in October 2005. In addition, 1 because of the findings in there, a burial treatment 3 plan was required, a preservation plan was required, a data recovery plan was required. 5 This work was completed, and the data 6 recovery plan was approved in 2006. 7 preservation plan was approved again in June of 2006. The burial treatment plan, which required more coordination with the families, was approved in 10 November of 2006. And the developer also undertook 11 some data recovery work, and that report was completed in 2009. 12 13 MR. YUEN: Please describe how the location of the cultural sites and the historic 14 15 Trail to the Sea have influenced the revisions to 16 the site plan. 17 MR. MOORE: As you can see on the graphic, 18 the areas in green are the open space areas. 19 again it's a little difficult to point out, but the area in the upper left is a really interesting 20 21 occupational area as well as a water cave. 22 Excuse me, get my notes here. 23 There's two caves in there that served as

a water source so people didn't have to go makai to

collect water. There was gourds and drippings in

24

there, so they could just collect water and live in that area. There's a permanent habitation as part of that complex.

The area to the right, the upper green area, is -- they're portions of the Koahanaiki Homestead. The Koahanaiki Homestead extends in the area mauka of that as well. A whole number of homesteads were in that area. So all the homestead sites are being preserved.

Within the homestead side is the Road to the Sea trail, and you'll see that extending in a makai direction in a ribbon down to the green area. The green area is the new park area that was required, and the trail has been incorporated into that. The trail has been set aside as part of a 30-foot wide corridor, and that will be open to the public and incorporated as part of the archaeological sites.

The other sites in there are either burials or preservation sites. And so part of this is that especially the burials, the cultural lineal descendants need access to that, so a road network has been set up to allow, make sure that those access points are allowed or are available as part of our burial treatment plan requirements.

MR. YUEN: Next slide, please.

Can you compare and describe the primary difference between the original site plan and the revised site plan?

MR. MOORE: The site plan to the left there is the original site plan that was -- we call it the conceptual plan that was included as part of the state land use boundary amendment. That same information was included in the county zoning.

The area, the plat to the right, is the current conceptual plan, or the current master plan for the site that was approved by the county. This new master plan was the one that incorporated the relocation of the Holoholo Street alignment, the relocation of the affordable housing project site, as well as addressing the archaeology.

The zoning areas and boundaries are being respected, so there's no change to the zoning areas. So it's consistent.

The major difference is the road network.

And again, when we relocated Holoholo Street, which

-- and the agreement with the county in this revised

master plan is that Holoholo Street is a collector

road. It's a major north-south connector. This

road will be developed with applicable standards and

And then the major intersections with Hina Lani have not changed, so in terms of the configuration, well, the internal road network has changed a little bit, are actually changed.

The major intersection points with Hina
Lani, the Holoholo-Kealaka'a Street intersection,
and the access point to the current development
proposals are the same -- approximately the same, or
actually the same locations. So the changes have
been, I think, incorporated into a way that's
consistent with the original representations.

MR. YUEN: Please describe how the budget will comply with existing planning and zoning controls.

Next slide.

MR. MOORE: The Kaloko Heights project continues to be a residential mixed single-family and multi-family residential project, again consistent with the representations.

As I stated, the zoning boundaries have been respected, so we have a mix of larger lots at the top, minimum 15,000 square feet, minimum 10,000 square feet lots in the middle section, minimum

Hawaii State Land Meeting April 12, 2023 NDT Assgn # 64866 7,500 square foot lots in the lower section. multi-family locations are the same, located along 3 the Hina Lani Street frontage. As I said, the overall road network is 4 5 consistent. The Hina Lani Street improvements have been set aside and constructed and dedicated to the 7 county. Again, the internal road networks have changed, but the intersection points with Hina Lani have not changed. 10 The project has completed its offsite 11 infrastructure requirements in terms of the water 12 improvements, construction and dedication of a 13 million- gallon reservoir, the construction of water lines within Hina Lani Street and from the reservoir 14 15 to Hina Lani Street that services not just this

And we have completed -- or the plan incorporates the park requirements that were required by the county and as represented to the Land Use Commission.

MR. YUEN: When did the current owner acquire the project?

Next slide.

project but the region.

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MR. MOORE: So petitioner acquired the project in 2013 under a purchase and sale agreement

construction of Hina Lani Street, again providing a major link, a mauka- makai link. It constructed, as I indicated earlier, the intersection improvements, offsite intersection improvements at Hina Lani Street/Hawaii Belt Road, completed the reservoir tanks, dedicated the reservoir site.

The project, as part of regional

development water agreements, secured the water

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commitments for almost 600,000 gallons of water. It paid for these water commitments, so these are secure, which allows up to 1,500 residential units, 100 of which have been assigned to the affordable housing project.

The project also, again in advance of its requirements, constructed an electrical substation, a 10- megawatt substation. And the development is going through the process to secure the necessary archaeological approvals, including the inventory survey, the burial treatment plan approval, the preservation plan approval, and the mitigation and monitoring approval.

MR. YUEN: To your knowledge, Mr. Moore, did this project require an environmental impact statement or environmental assessment in 1983?

MR. MOORE: No. The project did not, nor has there been any subsequent activity that has triggered the requirements for an environmental assessment.

As you may be aware, there are certain activities that require an environmental assessment in compliance with Chapter 343. None of those have been triggered by this development, so there has not been an environmental assessment or environmental

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impact statement prepared for the project.
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 2
             MR. YUEN: That's for the entire project.
 3
             MR. MOORE: For the entire project. Yes.
 4
             MR. YUEN: Now, an environmental
 5
   assessment was prepared recently for a portion of
 6
   the project; wasn't there?
 7
             MR. MOORE: Yes. And I think Mr. Kato
   will speak to this, but as part of the affordable
   housing project, there were state moneys being used
10
   for that project. So as part of that, an
11
   environmental assessment was prepared, and that in
   fact looked at a lot of the issues and concerns
12
13
   raised by this.
14
             MR. YUEN: When was that document
15
   prepared?
16
             MR. MOORE: I'm not sure exactly. I think
17
   in 2019, 2020.
18
             MR. YUEN: Okay. We'll get that with Mr.
19
   Kato, then. That's all my questions. Thank you.
20
             VICE-CHAIR CABRAL: Thank you. Please
21
   stay for other questions.
22
             Okay. County of Hawai'i, do you have any
23
   questions at this time of our, I guess, witness
24
   testifier?
25
             MS. CAMPBELL:
                           Thank you. The county
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doesn't have any questions for Mr. Moore.
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 2
             VICE-CHAIR CABRAL: Okay. Office of
 3
   Planning and Sustainable Development, any questions?
 4
             MS. KATO: No questions. Thank you.
 5
             VICE-CHAIR CABRAL: Okay. Commissioners,
 6
   questions of Mr. Moore?
 7
             Commissioner Atta?
 8
             COMMISSIONER ATTA: I was just wondering.
   You folks have done a lot of work for the project,
10
   but why you have not spoken to the other people?
   I'm just wondering.
11
                         I'm sorry. Just to be -- a
12
             MR. MOORE:
13
   lot of the trigger work was related to the HICDC
14
   project because of an environmental assessment. So
15
   they had to go back and look at it.
16
             A critical part of that was that, I think,
17
   they were looking at federal funds, so they had to
18
   do a NEPA 343 assessment, which brought in a
19
   different level of review in terms of archaeology
20
   and endangered species and the like. But that was
21
   just for -- that wasn't for this overall project.
22
   That was because of the financing requirements for
23
   the HICDC project.
24
             VICE-CHAIR CABRAL: Commissioners, any
25
   other questions?
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Mr. Okuda?
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             COMMISSIONER OKUDA: Thank you, Ms. Chair.
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 3
   This is Gary Okuda.
             Mr. Moore, when the project was first
 4
 5
   envisioned, how was sewage to be disposed of?
 6
             MR. MOORE:
                         The representations to the
 7
   Land Use Commission is that sewer was to be disposed
 8
   of by cesspools.
 9
             COMMISSIONER OKUDA: Right. And because
10
   cesspool use is either frowned upon or illegal --
11
             MR. MOORE: It's illegal.
12
             COMMISSIONER OKUDA: -- that's not what's
13
   going to happen now; correct?
14
             MR. MOORE: Absolutely not. Our next
15
   witness will speak to the activity since then.
             COMMISSIONER OKUDA: Okay. Well, you know
16
17
18
                         I'm happy to talk about it.
             MR. MOORE:
             COMMISSIONER OKUDA: Because we don't need
19
   -- or I don't need the technical answers unless --
   or technical issue, but the bottom line is there is
21
22
   -- is it contemplated to have a sewer connection to
23
   a county sewer system?
24
             MR. MOORE: A sewer line is under
25
   construction.
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COMMISSIONER OKUDA: And that will be 1 2 connected to a government facility. 3 MR. MOORE: To the Kealakehe Wastewater Treatment facility. So the sewer line will extend 5 down Hina Lani and then to Ane Keohokalole and to tie in to the sewer line, in fact, right in front of 7 this building here. COMMISSIONER OKUDA: Yeah, you know, under 8 HRS 343-5(A), and specifically this case called 10 Umberger, U-m- b-e-r-g-e-r, versus Department of Land and Natural Resources that's found at 140 11 12 Hawai'i 500, pages 515, 516 -- the Pacific Third 13 citation is 403 P.3d 277, page 292, 293, which is a 2017 Hawai'i Supreme Court case -- if there's going 14 15 to be a sewer connection to a government facility, 16 the Supreme Court has said that's a 343 trigger. 17 MR. MOORE: Yes. And as part of the HICDC project, they were required to either build an 18 19 onsite sewer plant or to connect. So their EA did a 20 full assessment of the connection to the sewer line. 21 So that was included in their EA, so the 343 22 requirements for the sewer line have been fully 23 analyzed and assessed as part of the HICDC project,

which was one of the alternatives for sewer

treatment facilities for their development.

24

COMMISSIONER OKUDA: Yeah. But this sewer 1 line is also going to or is intended to serve your 3 project; correct? 4 MR. MOORE: The sewer line actually has to 5 be sized to address all of the zoned lands along the 6 sewer build project, so yes, it was -- it had to be 7 sized under the county requirements to accommodate the project. 8 9 COMMISSIONER OKUDA: Well, just to make it 10 clear, the sewage that's going to come off of your 11 residential development is going to be put into that line; right? I mean, you're not going to dump it 12 13 out on the ground; correct? 14 MR. MOORE: Oh, no. That line has been 15 sized to service the HICDC project and the Kaloko 16 Heights project. 17 **COMMISSIONER OKUDA:** Yeah. So just so 18 that the record is clear, the sewage coming off of 19 the toilets that are going to be located in the dwellings of your development, that stuff that goes 20 21 in those toilets are going to end up in that line; 22 correct? 23 MR. MOORE: That's correct. 24 COMMISSIONER OKUDA: And so isn't there at



least some argument to be made that under 343-5(A)

HRS and under the Umberger case which I gave citation to, that there's at least some argument that there's a 343 trigger that applies to your development; correct? I mean, there's at least an argument that can be made.

MR. MOORE: The sewer line is completely offsite to the project, so we believe does the sewer line need to be assessed? Absolutely. No question about it for 343. And we believe that it was done, and that's that environmental assessment was approved and had a finding of no significant impact.

COMMISSIONER OKUDA: Okay. Well, I'm just looking at whether the requirements of 343 are triggered, because if they're triggered, then you have to go through this process. So I'm not talking about the process or what the ultimate result of the process is. But there's an argument to be made that with respect to your development as it's now constituted or as it's now being proposed, there's a 343 trigger; correct?

MR. MOORE: We do not believe so.

commissioner okuda: Whether you believe it or not, because in the end, you know, my belief is probably not going to make a difference, and maybe your belief is not going to make a difference.

The belief that's going to make a difference is if 2 somebody files a lawsuit and the Supreme Court of

Hawai'i makes a decision.

And as you know, or do you agree, based on your experience, that, frankly, in environmental cases the Hawai'i Supreme Court has made it very clear that individuals have standing to bring these lawsuits. So virtually anyone in the community can file a lawsuit. That's why I'm asking about it.

There is a potential argument to be made here. Whether you believe it, whether I believe it, there's a potential argument that because your development is going to dump human waste into a government sewer line, that HRS 343 is triggered; correct? There's an argument that can be made.

MR. MOORE: Well, yes, an argument can be made at any level. Right. Yes.

commissioner okuda: Wouldn't it make sense that if you believe that you have a good project here, wouldn't it make sense to comply with 343 and not wait for another five or six years for the Supreme Court to possibly tell you that you forgot to do something really important, like do an environmental assessment or, you know, who knows, an environmental impact statement? Wouldn't that make

better sense than gamble?

MR. MOORE: In terms of the sewer line, absolutely agree with you in terms of the need for an assessment of that. That was done. There was an assessment done for the sewer line and the impacts based on the full sewer flow from the project going into the Kalakehe Wastewater Treatment Plant.

COMMISSIONER OKUDA: Okay. And let's talk now about the affordable housing condition. The affordable housing condition is governed by a Land Use Commission order that was entered November 22, 2016. And just for completeness of record, the name of that order is Order Granting in Part and Denying in Part Petitioner's Motion for an Order Regarding Satisfaction of Affordable Housing Condition; correct? That's the governing order.

MR. MOORE: That's correct.

COMMISSIONER OKUDA: And in fact, the order requires, and I quote -- in fact, let me start here. It says, quote, "Petitioner shall provide housing opportunities for low- and moderate-income residents by offering for sale or rental on a preferential basis on its own or in cooperation with both the Hawai'i Housing Finance and Development Corporation ('HFDC') and the County of Hawai'i

affordable housing units equivalent to 10 percent of 1 the lots and residential units to be developed in the petition area." And then it continues on. 3 4 Did I accurately read the requirement of 5 that order? 6 MR. MOORE: That's my understanding. Yes. 7 COMMISSIONER OKUDA: Okay. As of today, have any rental or any type of housing units been offered for sale or rental in compliance with this 10 order? 11 MR. MOORE: There has not been any 12 development on this property, so nothing has been 1.3 offered for sale or rent on this property. 14 COMMISSIONER OKUDA: How many units would 15 have to be offered based on your anticipated number 16 of units to be developed in the petition area? 17 MR. MOORE: The current master plan for Phase 1 calls for approximately 521 units. So under 18 19 that, 52 affordable units would need to be provided. 20 The total development is 1,300 -- approximately 1,300 units. So again, 130 affordable units would 21 need to be provided for full buildout of Phases 1 23 and 2.24 COMMISSIONER OKUDA: Okay. And, you know, 25 part of the problem I personally -- or not a

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problem, but one of the issues I personally have is
 1
   this project goes back -- or the approval, the
 3
   boundary amendment order, goes back 40 years;
   correct?
 4
 5
             MR. MOORE:
                          Yes.
 6
             COMMISSIONER OKUDA: And initially, the
 7
   initial findings of fact, conclusions of law, and
   decision entered in -- what was that, 1983 --
   provided that title to the property could not be
10
   transferred by the owner unless and until the
11
   affordable housing requirements were satisfied;
            That was the original provision.
12
   correct?
13
             MR. MOORE: Again, that was before my
14
   time, but that was, yes, that was my understanding
15
   of the original condition, which has been -- was the
16
   commission agreed to delete that condition.
17
             COMMISSIONER OKUDA: Yeah. It was agreed
18
   to delete it, and it seems to be based on
19
   representation A. Give us a break; we're going to
20
   put up the affordable housing. And here we are 40
21
   years later, and there's no affordable housing.
22
             Let me ask the bottom line question here.
23
   What assurance do we on the commission -- or
24
   frankly, anyone in the community have that if we
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grant any of the relief that's granted here, even

basically, we have to have the units built in order

for us to do anything. So the assurance there is we 1 have to have these units done in order for us to 3 sell a lot. So, you know, the impact is we need it, so the assurances are there in how the condition is 5 written right now. We have to have the housing. 6 COMMISSIONER OKUDA: Yeah. Well, there's 7 been 40 years of assurances. Let me ask this question, then. And this 8 probably will be my final question. Besides just us 10 just being assured by you folks or the developer 11 that this affordable housing will be built, besides 12 just, you know, let's take our word for it and we're 13 going to be good for our word, what can make us on 14 the commission and the community sleep a little 15 easier that the affordable housing in fact will be 16 built? What more than just words can we rely on? 17 MR. MOORE: The reliance to me is that it is under construction. The finance is there. 18 19 activities are ongoing. The contracts are in place. 20 The money is there. They're rocking and rolling on 21 that right now. It's just -- it's pretty amazing. I

And again, Mr. Kato can speak more to really the financial consequences of what happens if it doesn't get built. You know, again, it's --

mean, the project is up the street.

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2 proje

assured as a county development project, so that

project will happen independent of whatever else

3 happens.

COMMISSIONER OHIGASHI: Now, according to your testimony, there's about 1,300 units total for Phase 1 and Phase 2. Assuming that we grant you an extension, you would owe 30 more houses; isn't that

8 right?

MR. MOORE: The condition requires a total of 130, yes, so depending on the final master plan.

COMMISSIONER OHIGASHI: Right. And so the 30 more houses, where would it be built and what plans are there to ensure that that portion of the condition is being met?

MR. MOORE: The condition is in order for us to do more than whatever housing gets built, we have to have the housing in place. So the condition has an internal mechanism. We can't build 1,300 houses and then retroactively provide 30 houses. We have to do that as we go on.

the 10 percent, you can build another 5,000, or what was it now, another 500 or 600 houses based on that 100. So what I'm trying to get at is that if we do extend your time, is this all the housing we're

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Page 65
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going to get, or are we going to get the 30 more? 1 2 In other words are you going to 3 restructure Phase 2 so that you limit yourself within the 100 units, or are we going to get any 5 more? 6 MR. MOORE: The condition will be complied 7 with. That's the best we can do. So again, first of all, in terms of Phase 2, just as in Phase 1, the current density was based on the conceptual plan, so 10 there's a whole bunch of planning work, so the densities may or may not be reduced. 11 And the affordable housing requirements, 12 13 again we'll continue to work with the agencies, but in order to build beyond whatever affordable units 14 15 we have, we have to have those units in place. So whether we do them onsite, we do them as part of 16 17 Phase 2, there is a little area that's possibly --18 that could be provided to the current HICDC 19 developer for some additional development. 20 So there's a number of options that we're 21 not sure exactly how that's going to play out, but

that will be done. Again, under the conditions we have to have those in place in order to proceed beyond whatever units we have approved.

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COMMISSIONER OHIGASHI: Maybe Mr. Kato



will be able to answer this one. My final question is is your contribution limited to the payment of land and the existing infrastructure that you cited that you've done? Has there been any additional cash or payments made towards the development of these other? Because you did mention that state financing is involved.

So I'm just wondering if this is your project or is it going to be part of the taxpayers' project so that I'm part of paying for me, your requirement.

MR. MOORE: Well, you know, again the affordable housing is a very complex project, and Mr. Kato can speak to that. In terms of other contributions to the project, one of their real costs and delays and issues and concerns of the natural park was the impacts of an onsite wastewater treatment plant.

So the developer has agreed to construct the sewer line. And again, the financing for that sewer line is — the project is not required to pay anything for that sewer line, so they're getting this as a pro bono, basically. The sewer line will be paid for 100 percent by the project developer through the community facilities district financing

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tool.
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 2
             COMMISSIONER OHIGASHI: So the benefit
 3
   goes to the entire project; right?
 4
             MR. MOORE: The benefit goes to the entire
 5
   project, but the benefit goes to the community with
 6
   the 100-unit affordable rental project.
 7
             COMMISSIONER OHIGASHI: All right. That's
 8
   all.
             VICE-CHAIR CABRAL: Okay.
 9
                                         Thank you,
10
   Commissioner Ohigashi.
11
             Any other comments, commissioners?
             Okay. Commissioner 'Ohelo?
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13
             COMMISSIONER KAMAKEA-'OHELO: Aloha, Mr.
   Moore. I guess just to clear up the confusion that I
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15
   may have. So you've testified that the HICD project
   is a ten-acre scheduled out for 100 units; correct?
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17
             MR. MOORE: That's correct.
18
             COMMISSIONER KAMAKEA-'OHELO: And then
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   because of that development, it triggered the need
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   for sewage, which triggered the need for an EA;
21
   correct?
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             MR. MOORE: No. The project is utilizing
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   state funds, basically, so that was the trigger for
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   the -- the primary trigger for the environmental
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   assessment.
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Right. Mr. Yuen, did you want to do any

Any other questions of Mr. Moore?

24

1 MR. YUEN: What's HICDC's purpose and your 2 role in the organization? 3 MR. KATO: HICDC is a nonprofit organization that was initially set up by the County 5 of Hawai'i to build affordable housing. So the purpose is to support affordable housing for Big 7 Island residents who are in the low- and moderateincome categories. 8 9 Can you describe the agreement MR. YUEN: between RCFC Kaloko Heights, LLC and HICDC? 10 11 MR. KATO: Sure. Kaloko Heights -- RCFC, 12 I should say -- approached us here to basically 13 build affordable housing at their site. We've been doing -- we have been doing apartment projects on 14 15 the island, and we've been doing self-help housing on the island for several years. So far we've built 16 17 over 800 units on the island, all of them for low-18 income residents. 19 So RCFC approached us to go ahead and do 20 that, and what RCFC said was they would provide us 21 with the land, water, you know, to carry out the 22 project, provided that we carry out the project to 23 completion. 24 MR. YUEN: Would you please put up the 25 next slide?

Other than the donation of land and the water credits, what other assistance has RCFC 2

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provided to HICDC to allow the project to be built?

MR. KATO: Well, the other assistance, which is very significant, is the extension of the sewer line up to the property. Our plan was we were initially thinking that we may end up having to do a sewer treatment plant onsite.

You know, the fact that this line is being extended up to the property and connect to the Kealakehe Treatment Plant saves us, you know, considerable amount of money in terms of construction costs as well as all the operating issues that come with owning a sewage treatment plant.

MR. YUEN: Can you please describe the Kaloko Heights affordable housing project, including the number and types of units to be offered?

MR. KATO: Yes. It's a 100-unit project, of which 99 units will be, you know, affordable, and one manager's unit. The units are two- and threebedroom apartments. So the two- and three-bedroom apartments, you know, it's housing six residential buildings. We have a community building in addition to that, and some recreational areas. We have

planned a basketball court, you know, play areas, and then the way the project is designed is like smaller play areas in front of each building.

MR. YUEN: Can you just give us information on what you've done to develop this affordable housing project since HICDC donated the land to you in 2017?

MR. KATO: Yeah. We've gone through a number of steps. We started with seeking a rezoning for the site that we are building on now. You know, originally it was zoned open, because it was supposed to be park. But we just felt that the site that was -- the other site that was available was just too steep, so we asked to be able to use this site. And RCFC agreed, but we had to take it through the zoning process.

We've done an environmental assessment on the state and federal level. We have done the archaeological inventory update which, you know, discovered actually some additional sites. We've successfully completed a preservation plan that was accepted by SHPD in 2021. And there was a burial treatment plan that was also, you know, passed through the Burial Council and accepted by SHPD later that year.

We did the design of the project all the way through the construction drawings. I might want to point out that the archaeological sites actually caused us to reconfigure the site plan a bit.

It's kind of hard to see, but if you look at the picture there in the middle -- if you could enlarge it, that would help. So you see the middle -- starting at the bottom, I guess, the middle of the project, you see there's a kind of a white space running mauka. That's really the trail, or a buffer for the trail. It will cross -- we have one crossing which will go through the parking lot, and then the trail continues on up, you know, until it hits the Holoholo Street extension right-of-way.

On the right side of the trail, there's a kind of a circular feature. That's a burial, or the burial preserve. And on the left side, almost adjacent to Holoholo Street, you know, that's where we found the cave area that the archaeologists, you know, concluded was significant.

So because we had all of those features kind of in close proximity, we just decided to create a larger preservation area to tie them all in, to tie them all together. Let me put it that way.

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But, you know, doing that means we had to eliminate one driveway and, you know, readjust things, so it did take a little bit of time to do that.

We were also able to get all of our permits, building permits, grading permits. And during that period we also applied for and received 75 units of project-based Section 8 vouchers. this is, you know, vouchers that stay with the project. And the real benefit is that the tenants would pay based on their income, you know, those 75 units. So, you know, we are going to end up serving a very low-income community, I believe.

And finally, here we put all of the other financing together. This is a \$54 million project that's being substantially supported by the state of Hawai'i's HHFDC rental housing revolving fund. We're also getting lower income housing tax credits, federal and state, which is being converted into \$30 million of private equity. And we'll also have a long-term loan on the project.

So it's -- you know, that's what we've been doing, I guess, you know. And this end, we were able to close our financing March 30. issued a notice to proceed to the contractor as of

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April 5, and the completion is October 1, 2024.
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             MR. YUEN: When did you do the
 3
   environmental assessment for this project?
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             MR. KATO: Well, it started almost
   immediately, but I think we got the final acceptance
 5
   of the FONSI in 2019.
 6
 7
             MR. YUEN: Okay. And did the
   environmental assessment study both the project and
 8
   the sewer line?
10
             MR. KATO: Right.
11
             MR. YUEN: Getting back to your timeline,
   so financing and the construction contract are both
12
13
   in place for the entire affordable housing project;
   is that correct?
14
15
             MR. KATO: Yes.
16
             MR. YUEN: And you're under construction.
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             MR. KATO: Yes.
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             MR. YUEN: Did the contractor post a bond
19
   for completion of the project?
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             MR. KATO:
                       Yes.
21
                       Upon project completion, what
             MR. YUEN:
22
   income levels of tenants will this project serve in
23
   relation to median income?
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             MR. KATO: Okay. On the regulatory side,
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   10 units will be set aside for 30 percent of the
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area median income and below. Then another 65 units
   will be for 50 percent of the area median income and
 3
   below. And the remaining 24 will be up to 60
   percent.
 5
             MR. YUEN:
                       How long after project
 6
   completion do you think it will take to achieve full
 7
   occupancy?
             MR. KATO: Given the rental assistance
 8
   that we have, we believe we will be fully rented up
10
   at about three months.
11
             MR. YUEN: Given your testimony regarding
12
   your proposed construction schedule, do you
13
   anticipate completing construction of the project
   and occupancy before January of 2026?
14
15
             MR. KATO:
                       '26?
16
             MR. YUEN: Yes.
17
             MR. KATO:
                       Yes.
18
             MR. YUEN: Is there anything you'd like to
19
   add about your affordable housing project?
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             MR. KATO: I'd just like to say that I
   think this will be a terrific project for Kona.
21
22
   It's got -- you know, the Bank of Hawai'i is a major
23
   investor in this project, and they commissioned
24
   their own market study. And they concluded that of
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the kind of income categories that we're aiming at,

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there's an island-wide need for something like -- a
   demand for 7,700 units.
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 3
             The island-wide supply of this kind of
   project is really about 2,200 units. So there's a
   tremendous need for more of these kinds of units.
 5
   If we could build another 50 of them, I think
 7
   that'll be great, but, you know, it takes a lot of
8
   resources to do that.
 9
             MR. YUEN: Thank you. I have no further
10
   questions.
11
             VICE-CHAIR CABRAL: Okay. Thank you.
12
             County of Hawai'i, any questions?
13
             MS. CAMPBELL: No questions. Thank you.
             VICE-CHAIR CABRAL: Office of Planning and
14
15
   Sustainable Development, any questions of Mr. Kato?
16
             MS. KATO: No questions. Thank you.
17
             VICE-CHAIR CABRAL: Okay. Commissioners,
18
   questions of Mr. Kato?
19
             Commissioner Yamane?
20
             COMMISSIONER YAMANE: Thank you, Madam
21
   Chair.
22
             Thank you, Mr. Kato. Just a quick
23
   question. The FONSI for the EA that you're
24
   referring to, that was specifically only for the
25
   affordable housing project; correct?
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MR. KATO:
 1
                        Right. The affordable housing
 2
             And we also discussed the alternatives of
 3
   the sewer line or a sewage treatment plant on site.
 4
             COMMISSIONER YAMANE: Okay. Thank you.
 5
   No further questions.
 6
             Thank you, Madam Chair.
 7
             VICE-CHAIR CABRAL:
                                  Okay. Other
 8
   commissioner questions?
 9
             Okay. Mr. Kato, I have some questions.
10
   I've met you before and I previously was involved
11
   with managing affordable housing units and projects.
   So can you tell me what people are eligible to apply
12
13
   for this aside from their economic, like,
   geographical? Is there a limitation or an
14
15
   attraction to different geographical requirements or
16
   anything for someone to be able to apply or to
17
   obtain housing in this project?
18
                       No. No, there is -- it is
             MR. KATO:
19
   basically, well, it is they need to qualify on the
20
   income side, and we do -- we go through a typical
21
   background check and review. But there's no
22
   geographical limits on this.
23
             VICE-CHAIR CABRAL: So in regard to that,
24
   then, I would understand -- or am I correct in
25
   assuming that you will have some type of a waiting
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list that tenants would be waiting for a unit to 1 become available once they are all occupied? 3 MR. KATO: Right. 4 VICE-CHAIR CABRAL: Is it open to people 5 that are, let's say, in the mainland? Could they be put onto that waiting list or apply and be put on 7 that waiting list and then become qualified to move over and move into that unit? 8 9 MR. KATO: The answer is yes. 10 VICE-CHAIR CABRAL: Okay. Okay. So that means that if people applied, and if the waiting 11 list is on your date of application, is that the 12 13 procedure for this type of housing? MR. KATO: You know, I believe that HICDC 14 15 is still carrying forward the requirement that we do 16 a lottery. So, you know, the way to understand it, 17 when you submit your initial application, you're 18 going to be given essentially a lottery position, 19 once they do the lottery. And then from there it really becomes who comes in with all the information 20 21 that they need to apply. 22 VICE-CHAIR CABRAL: But that would be open to people if they're low income in that economic 23 24 bracket, if they applied, sent in their information

from the mainland, they potentially could move over

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here and occupy the entire project at some point.
 1
 2
   Is that possible?
 3
             MR. KATO: Well, I guess theoretically,
   but, you know, it's never happened. You know, all
 5
   of our projects, no. Now, I'm not saying it's never
   happened that people from the mainland have moved
 7
   in, but it's never happened that even a substantial
   amount of the units are occupied by people from the
8
   mainland.
10
             Because what we do really is do the
   initial advertising by posting a sign on the site.
11
   So, you know, you kind of benefit if you're in the
12
13
   neighborhood, you might say. And, you know, word
   gets around. We don't really do any kind of
14
15
   extensive advertising. You know, people just --
16
   just know.
17
             VICE-CHAIR CABRAL: Okay. Well, thank you
   very much. I do have a concern that, well, you will
18
19
   have built all of this affordable housing, and it
20
   will become occupied by folks from outside of
21
   Hawai'i geographical area. At this time we badly
22
   need housing. So thank you very much for the
23
   information.
24
             Okay. Commissioner Ohigashi?
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Just a thought

COMMISSIONER OHIGASHI:

popped into my head. You mentioned that there are a lot of -- you found a lot of archaeological sites or things, like a coast trail. Was that a result in your environmental assessment and archaeological study? Or was it just happened upon?

MR. KATO: Well, no, it wasn't just happened upon. What happened was actually -- and I got this secondhand, but our archaeologist says that they were contacted by SHPD, and SHPD requested that they go back out and look at the sites that were previously identified.

So that's, you know, when we heard that, we told our archaeologist, yeah, go ahead and do that, you know, get out there and check that out.

COMMISSIONER OHIGASHI: And besides the sites that were previously identified, were there additional sites found?

MR. KATO: Well, that's kind of what happened, yeah. There was -- they discovered an additional platform, you know, that area that I was describing. And it's not like other platforms. You know, it's really a paved area. It's an interesting thing. It's like an a'a lava flow finger that, you know, came down, and they paved it with pahoehoe slabs, so I -- you know, which I think more readily

MR. KATO: Well, the initial one was 2005,

that follows up on something Commissioner Ohigashi 1 had asked previously. 3 It looks like one way, when we calculate the amount of affordable housing units that need to be built under the current applicable Land Use 5 Commission order, we might be short maybe 30 units. 7 Would your organization have the capacity, if the deal or agreement would be reached satisfactory to you, to maybe develop these additional 30 units or 10 whatever additional units are needed to fully 11 satisfy the Land Use Commission order? Or is this, like, the last project you folks are ever going to 12 do on this side of the island? 13 14 MR. KATO: Oh, no. To be honest with you, 15 there are also different projects on this side of 16 the island. This is the biggest need area. 17 COMMISSIONER OKUDA: So you would be open, or your organization would be open to be approached 18 19 by the developer or the petitioners here if there's

a need to do something further to satisfy the current applicable Land Use Commission order; correct? MR. KATO: Yeah. I gotta say we get

approached by developers all the time, you know,

because they don't know how to develop, you know,

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VICE-CHAIR CABRAL: Do you swear or affirm 25 that the testimony that you are about to give is the

MR. MEYER: Absolutely.

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truth?
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 2
             MR. MEYER:
                          I do.
 3
             VICE-CHAIR CABRAL: Okay. Please state
 4
   your name.
 5
                   Mr. Yuen, take it over now.
 6
             MR. YUEN:
                        Please state your name and
 7
   address for the record, please.
                          I'm Mark Meyer. My address is
 8
             MR. MEYER:
   401 Menlo Oaks Drive, Menlo Park, California.
10
             MR. YUEN: Mr. Meyer, what is your role
   and responsibilities regarding the Kaloko Heights
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12
   project?
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             MR. MEYER:
                          I'm the development manager
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   for the project, so I represent the owner. I work
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   with the local team here and some other folks we
16
   have working around the country on the overall land
17
   planning, entitlement, everything it takes to take
   the project from where it was when we acquired the
18
19
   project to full buildout going forward.
20
             MR. YUEN: Next slide, please? Next one.
21
   Okay.
22
             Please describe the petitioner's planning
23
   and development activities between 2013 and 2016.
24
                                So this period comes at
             MR. MEYER: Yes.
25
   a time when RCFC acquired ownership of the property
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through an agreement with the prior owner, who had fallen on hard times as a result of the 2008 financial crisis.

So the primary activities were really to get in and conduct due diligence to figure out where does the property sit right now, what were the existing entitlements, the existing Land Use Commission orders, county zoning, the state of the market itself, what was going to make sense to build, on what kind of schedule was it going to make sense to build things.

There were water rights -- or water unit issues to be resolved to make sure that all the water was in place to be able to move forward. Some of the other things.

I guess there was a large million-gallon reservoir that was built as part of the entitlement requirements for this project that was in slight disrepair. It wasn't quite finished, so we had to come in and finish that up and put a new SCADA on it, do some other things to get that turned over to the county so that it would be functional. Finalized the water facilities payments.

Then we came in and started doing the hard work to get toward being able to develop the

property. Updated survey of the topography of the property, some just initial engineering assessments to understand the drainage, to understand the water requirements, understand where utilities were coming from, all that kind of stuff, dug into the architectural approvals and where we were with that, what we needed to do going forward.

And then, importantly, seeing that there was an affordable housing requirement that came with this project in order for us to be able to move forward, started looking for a good partner to do that with. And we were fortunate to find HICDC.

MR. YUEN: Next slide, please.

Please describe your development activities from 2017 to the present.

MR. MEYER: Yeah. So we're kind of continuing on from where we were once we got kind of our arms around what the existing situation was on the ground. Then we started to go forward with what would allow us to go develop all the properties.

As Bill and Keith spoke to, getting the property subdivided and get it to HICDC for the affordable housing project was a big piece of it. We came before the Land Use Commission. I don't remember the exact date. It was 2016 or 2017,

sometime in that range.

We were working with the county and LUC and Keith's group to put together something to make sure that we would satisfy the LUC requirements and that we would be in position to build a good affordable housing project out here. As I think Keith mentioned, part of that was the spot that was set up for multi-family housing within our existing master plan was in a spot that's more challenging to develop.

It's going to be more expensive to develop than other sites on the project, and in order to get to where we could do something that was feasible for an affordable housing project to get the costs into line and also be able to build the kind of community that Keith was looking to build from the standpoint of how it's all connected together, we worked with them and the county to move that down to a better location where it is now, where they've gone.

We did pretty substantial planning of the entire community, the entire land plan, to make sure that we had within the existing zoning boundaries that we were designing a project that would work best from the standpoint of minimizing the amount of earth that had to be moved, creating roadways that

made sense that were -- is walkable throughout the community.

For example, this is one of the things we did was set it up on this hillside to also be a good, walkable community, to have good access and connectivity to all the parks and trails. So all the things that we needed to do to create a community that we think is going to sell well.

Nobody wants to go out and build something that there's not demand for. So we spent kind of all of the time doing that stuff.

As we've also discussed here, we went through the process, then, of getting a sewer line approved. It became clear that it was going to be really difficult for HICDC to do their project without a connection to the sewer, to the county sewer plant, and we determined it was going to be better for all concerned, then, to go ahead and get an offsite solution done.

So designed the sewer line in conjunction with the county, planned that, went and did a CFD, Community Facilities District, that would allow us to finance that through future property taxes leveled on property that would pay for that project.

It's about a \$10 million project for the

sewer line that is now underway. We've got the financing in place. We've given notice to proceed, and our contractor's out working on that right now.

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And then we went ahead and did the -secured the development permits and approvals for the first increment of development that we're going to do out there. So we have two 49-lot increments, one in the RS-15 zoning area, one in the RS-10 zoning area, that we have done the detailed planning on, and have taken that through construction -approved construction plans for a piece of each of those, 22 lots in the RS-15 and 24 in the RS-10, along with the main entrance into the community, and a grading plan that covers that whole area so that we are in position now, once we get this last piece of offsite infrastructure in place, to go ahead forward, then, with the development of the first phase of the project, of the market rate part of the project.

MR. YUEN: Did you consider whether any of your development activities would be a trigger for the requirement of a Chapter 343 environmental assessment or environmental impact statement?

MR. MEYER: Sure. Of course. Anytime we develop anything, we look at what are going to be

the requirements with regard to the Army Corps, was it -- or any of Chapter 343, archaeology. All these things go into our plans for how we lay out the entire sequence of developing a piece of property.

The activities that we're planning out here, the development plan that we have in place, in our -- not just our opinion, but in our expertise and through our consultations, do not require an EA.

The sewer line required some additional studies with regard to the route that it was going to take through to get to this connection point down here, but there's nothing about us connecting to that line that requires us to go through an EA.

MR. YUEN: Next slide, please.

Can you briefly describe the location of the sewer line?

MR. MEYER: Yes. So it basically goes -I think everybody understands where each project is,
where the HICDC project is. So that's at the high
part of the property, the development property that
we're talking about here.

And so the sewer line will run down adjacent to Hina Lani Street from just that bottom corner of our property. And that runs down to the intersection at AK Highway and then turns and runs

along AK Highway actually in the future travel lanes. There were two lanes originally built of AK Highway. There would be two lanes.

There's right-of-way for an additional two lanes to be put in at some point, so we're building that portion of the sewer line in that future right-of-way. And then it connects down right here within a couple hundred feet of us somewhere at this intersection. And then there's existing line that then takes it down to the sewer treatment plant.

MR. YUEN: Next slide, please.

Please describe location of the first 46-lot increment.

MR. MEYER: So you can see kind of lower right of the diagram up there the affordable housing site is -- it says affordable housing site. I don't know how well you can read it, but it's kind of the grayed-out area at the bottom right of the illustrative plan there.

So that's Hina Lani Street is adjacent to it, going -- kind of going up the curve like this. And so as you go up Hina Lani Street and come to where it says 1A and 1B road improvements right there, there's a main entry. It's kind of the intersection where the red and the blue meet.

That's where the main entrance is into the project coming off of Hina Lani.

And then adjacent to that, above that is the -- the area that's in red is RS-15 zoning. The entire area that's encompassed by that red is the first 45 lots in the RS-15. Of that, the part to the left is Phase 1A, we're calling it. That's the first 22 lots of that RS-15 zoning that'll go in.

And then to the bottom of that entry road is the RS-10 zoning, and the middle part of that, the middle of those three blue-bounded polygons, is the first phase of the RS-10 that will go in.

So the main road that's kind of got a dark black line on it, that's the main entry road and the main entrance onto Hina Lani, and then the two adjacent pieces to kind of the end of that, so we're up and down the hill.

And part of the way this project was designed was to minimize the amount of dirt moving that has to happen from one section of the project to another. So we laid out the roads and the lots in such a way that when we go do these first set of lots, the grading balances between the two pieces so that we're not bringing a bunch of dirt in or taking a bunch of dirt offsite.

We're doing each one of these phases in 1 such a way that we balance things pretty well, which 2 reduces the amount of large-scale grading and large-3 scale clearing that we have to do for each phase as 5 we work our way through the project. 6 MR. YUEN: Please describe your proposed 7 development schedule for the first -- I'm sorry, for the remainder of Phase 1. 8 9 Next slide. Yeah. 10 So you might have -- you MR. MEYER: 11 probably missed the first phase of that. 12 MR. YUEN: Yes. We --13 MR. MEYER: So I'll run you through Phase So the initial development of 46 lots we're 14 15 targeting March of 2024. We will start that phase when the sewer line is in. 16 17 And it's just kind of our general 18 philosophy of development. We like to step things 19 through systematically, so we're going to have our 20 sewer line all the way in before we start doing any 21 of the stuff, just to make sure we don't start 22 things, and then the sewer line is a little bit 23 longer, we're sort of off schedule. 24 Some people will argue to go start right

away and be ready as soon as it's in there.

an argument for that. This is just our philosophy
of how we generally develop projects, so trying to
line up the completion of that sewer line along with

that first phase of a starter.

So it'll take about a year to get the first phase and improvements in, rough numbers, to get that first set of lots in, which would then allow us to start construction of the first homes sometime around March of '25. And sometime around a year after that, we hope to have our first residents living out there, buy a house.

And then I'll run through the development for the rest of Phase 1. You know, as we mentioned earlier, it's roughly 560 units that's out there throughout Phase 1. We will work our way methodically through those in phases of something like 50 to 75 unit bases as we go all the way through the project.

Depending on demand, depending on, you know, the speed with which we get things done and what the demand for sales is, just general anticipation of selling something like 50 units per year out there is, we think, a conservative route that sort of gets us to the finish line sometime in about a 10- to 12-year period.

)

MR. YUEN: Do you agree to the proposed condition that the petitioner complete construction of the offsite infrastructure and have HICDC complete a portion of its affordable housing project both by January 2026 and your achieving substantial completion within the next 10-year period?

MR. MEYER: Yes. So I think you're referring to the stipulation that we entered into with the agencies that have been kind of reviewing our plans. And there were certainly reasonable concerns from everybody -- we've heard it here -- of the time that it's taken to get to this point in the project and, you know, why do we believe that it's going to move forward from here.

And so, frankly, with the rest of those things, we've certainly gone out, and starting to get the affordable housing project we think is a really big, important step in that, one step ahead.

And then we were discussing other things we can do to, you know, make sure people have some comfort here. And I think the things we've agreed to, making sure that we get the offsite improvements done, of which we and our predecessors have done the big bulk of, but we have this one additional requirement here to get the sewer line in place in

order for us to go forward.

We've got the financing in place. We're moving forward on it, so we're confident we can make the deadlines that have been proposed to us, to have that done within this three-year period.

And we're confident that Keith and his organization are in position to get these affordable housing units done within that period. We've seen how they work. We've been very fortunate to have a great partner there. So, yeah, we're very comfortable moving forward on those terms.

I believe the requirements of the stipulation, we get those in within three years, and then we have substantial completion within 10 years to be able to come back, provided that the Land Use Commission would give us this current extension.

We would have to then come back by that 10-year period to then come in for the reclassification, being able to show that the affordable housing is in place, that we've moved forward with significant progress and substantial completion through the first phase of the project and are keeping to the spirit of the agreement.

MR. YUEN: Finally, with respect to affordable housing, the HICDC project will give you

Yeah. Great question.

For

more than enough affordable housing to meet your requirements for Phase 1, but fall short of the requirements for the entire project. Have you had any thoughts about how you would provide additional affordable housing in Phase 2?

MR. MEYER:

this one I want to make sure it's clear to
everybody. We are hoping to continue developing
this project out and do something like the 1,250 or
1,300 units, roughly what's in the current plan.
We've gotten really good into the master plan of the
first phase. We're very confident of roughly what
the requirements are going to be on that.

There could be more or slightly more or slightly less than the 130 number through the second phase, and it's our absolute intent to make sure we do a great job of providing those additional units, whatever they're required going forward.

So to one of the questions I heard earlier, if we were to get this extension and it would mean that we go and develop more units down the line on the other piece, would there be more affordable housing that goes with that? Absolutely. That's a full part of the -- I mean, obviously, it's not just our word; it's a requirement of the zoning

and of the entitlement. So we can't go forward without doing it.

I'm very hopeful that Keith would be interested in continuing to work with us on this. You know, the reason the HICDC is in there and why we chose to work with them on this project is we understand that there's requirements. There's a skill to everything in development. There are some things that some are better at than others.

affordable housing. They know how to cater to the right part of the community. They know what the design requirements are. They know how to put financing together.

We certainly could have gone out and built for Phase 1 56 affordable homes that would have satisfied the requirement of affordable housing under the statute. I think that the county, from everything I've understood from learning from Keith in how this goes, the county's getting a much better result by us having HICDC involved, because they're able to work through all the corners of this world that some of us might not understand as well as they do to provide that affordable housing at even lower income levels.

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I was just kind of confused about that.
 1
                         Yeah. Fair enough.
 2
             MR. MEYER:
 3
             COMMISSIONER OHIGASHI: And that's a total
   of how many units that you plan to have available?
 5
   Your testimony was 2025?
 6
             MR. MEYER: Yes. So by 2025, I think, we
 7
   expect to have those first -- the two pieces --
 8
             COMMISSIONER OHIGASHI: Forty-nine.
 9
                               There's 49 in each of the
             MR. MEYER: No.
10
   A and B phases there. The first 22 of the RS-15s
11
   and the first 24 of the RS-10s. So Phase 1A and
12
   Phase 1B are the two pieces that we expect to have
13
   done.
             And one more thing, just to clarify for
14
15
   people, as it's just gotten to me a few times in
   this. The LUC requirements refer to Phase 1 and
16
17
   Phase 2, which are -- Phase 1 is this whole thing
18
   that we're looking at here, that entire diagram, and
19
   Phase 2 is the other side of the road, where we're
20
   talking about a 10-year extension.
21
             So it can be a little bit confusing.
22
   We're using -- these Phase 1A, 1B in here, these are
23
   internal phases within Phase 1.
24
             COMMISSIONER OHIGASHI: We've seen this
25
   kind of problem before.
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1	MR. MEYER: Yeah. We really should be
2	calling this
3	COMMISSIONER OHIGASHI: But I'm just
4	trying to figure this.
5	MR. MEYER: Yeah. Totally. Fair
6	question.
7	COMMISSIONER OHIGASHI: And your
8	understanding is that the 10-year I'm trying to
9	get that processed. There's a stipulation for three-
10	year and a ten-year; right? The three-year is that
11	you're going to have certain benchmarks you got to -
12	- correct. Does that mean it's 13 years, or does
13	that mean it's ten years, but three of those ten
14	those benchmarks met.
15	MR. MEYER: That's correct. They're
16	concurrent. So within that three-year period, we
17	have to have one thing done. Within the ten-year
18	period that includes those three years, we have to
19	have something else done.
20	COMMISSIONER OHIGASHI: And what other
21	offsite improvements besides the sewer line has to
22	be completed?
23	MR. MEYER: There are no other ones.
24	COMMISSIONER OHIGASHI: Okay. And what
25	interior improvements are necessary to be done?

1 MR. MEYER: Well, in order to develop the 2 entire property, we'll have to continue developing 3 roads, sewers, utilities, all the way through the site as we go in a phased manner; correct. 4 5 **COMMISSIONER OHIGASHI:** And your hope is 6 to have it built out within ten years. 7 MR. MEYER: That's the hope. And with anything in development, it's that's our plan, 8 that's our hope. We don't have a crystal ball to 10 know what might happen in the world, but that's a 11 realistic plan based on the fact that we've gotten 12 the thing teed up to this point, and now we're truly 13 14 You know, there's a whole bunch of things 15 you got to do to get to the point where you can really go full steam. And we've gotten to that 16 17 point now. 18 COMMISSIONER OHIGASHI: And what do you 19 attribute the -- I guess would be -- the most 20 relevant portion would be the last ten years of 21 this, your ownership of the property, to the delays in completing these? 22 23 MR. MEYER: So that's a great question. 24 COMMISSIONER OHIGASHI: I just want to, 25 yeah, keep it that, so like your whole work.



MR. MEYER: Yeah. No, it's a great question. So the project kicked in at various stages of development and dormancy for a number of years. A lot of great work had been done, getting Hina Lani Road in, that being probably the most significant one, getting water storage in place,

various utility improvements, those sort of things.

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When we took the project over, it was at a point where there needed to be some detailed planning done to get it to the point where it was in the right position to move forward. We were working through that.

We found there were opportunities that were just going to make a lot more sense long term for both our project, for the affordable housing project, and quite frankly, for the neighborhood at large, one of them being getting a sewer line in place and working through with the county to figure out how best to go about that.

And this is often the case. I do largescale development around the country, mostly around the western United States. Getting to the starting line is the hardest part of these projects. Getting all the things in place, the entitlements, the water, the utilities, the offsites, is the thing

that often is the most difficult piece of a large-scale development. It's the reason why sometimes projects like this end up in the hands of a third or fourth owner, like is happening in this situation.

What we did was to make sure we were careful and considerate and methodical in going through these steps to have everything in place.

For example, a prior owner came out and started putting roads and sewer lines on the property years ago that some of you may not remember. It wasn't really ready. The plan wasn't in place properly. There were pieces of infrastructure that weren't in place and stuff. And it resulted in just having plowed a whole bunch of money into the ground for no good reason for no good benefit.

So we took our time to make sure to get it in the right spot before we moved forward. And I think, you know, I think probably the best evidence of the fact that we're moving forward wholeheartedly now is that we've got an affordable housing site that has broken ground and is building.

And we have just made a -- we have a completely unencumbered property with no debt on it that we just put our own debt -- put a debt on

ourselves that we have to service to go put that sewer line in place. So we have started the clock ticking on, okay, it's time to go.

testimony of finding additional archaeological sites on that parcel, the affordable housing parcel, would your company consider a condition to do an additional archaeological study to determine whether or not there were missed sites based upon the 2005 study? Would you consider it?

MR. MEYER: So a great question. So we believe firmly that we have done the work required to go out and develop the property. We did the archaeological studies. We've done all of the various steps that you need to move forward. So we would not --

COMMISSIONER OHIGASHI: But that all was done in 2005, according to the testimony from Mr.

Kato. You didn't own the property until 2013. So my question is really during that period of time,

Mr. Kato found additional archaeological sites and had to move it around to preserve it. Will your company commit to doing an additional archaeological study to make sure that the study done in 2005 sufficiently met the requirements and did not miss

additional sites?

MR. MEYER: I understand.

COMMISSIONER OHIGASHI: To be missing.

MR. MEYER: I would respectfully answer that we would not be interested in saying, hey, we're going to go out and resurvey this entire property. That would not ever make sense for anybody to do in a situation where you're doing -- when you're working through entitlements, you're getting them to move forward.

Now, my understanding is, and having developed in various places that are sensitive, as we move through this project, we've got all sorts of monitoring requirements that are on us as we move through that are part of the development process that could uncover other things. That happens. And if that does, we will deal with it properly, accordingly, and by the law moving forward.

But we have done a lot of work on putting together all sorts of plans for how to recognize and properly treat the sites that are out there that have been identified, including several sites that we've got preservation plans in place for, including the Road to the Sea that we've got a plan for to preserve that.

So, no, we are not looking to go reopen that entire case. And the question that we're here, respectfully, that I would ask is for an extension of the time to come back in and do a reclassification of the Phase 2 lands, which are going to involve another -- a whole process like this of going through and doing the archaeological studies and all those things that we're going to have to do over there when we go to develop those lands.

COMMISSIONER OHIGASHI: Well, my mind is that it's been a 40-year delay. It would seem to me that if you do additional archaeological site work study, or you do your studies or have your studies reviewed, bring them up to date to make the determination, it will probably save you more time to do the work.

If you're going to come back ten years from now and say that, hey, we couldn't move fast enough because we've discovered several archaeological sites that wasn't in the documents and wasn't shown there, I'm sure whatever body is here will remember my comment here and say that maybe that should be used as a basis to extend another ten years or another five.

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So I'm just bringing that up to you and
 1
 2
   making a record to make sure that any inadvertent
 3
   archaeological site that caused delay may be counted
   against you getting additional time. It's up to
 5
   you.
 6
             MR. MEYER:
                          Thank you.
 7
             COMMISSIONER OHIGASHI: Even the three
 8
   years, maybe.
 9
             VICE-CHAIR CABRAL: Okay.
10
             Commissioner 'Ohelo?
11
             COMMISSIONER KAMAKEA-'OHELO: Mahalo,
12
   chair.
13
             Hello, Mr. Meyer.
14
             MR. MEYER:
                          Hello.
15
             COMMISSIONER KAMAKEA-'OHELO: Mahalo for
16
   your due diligence and your testimony. I have a
17
   question. Over here on the slide that says
18
   Petitioner's Development Activities from 2017-
19
   Present, the second bullet point says planned and
20
   permitted a new sewer line connecting the project
21
   area to the county's. May I ask who applied for
22
   that permit?
23
             MR. MEYER:
                          I'm going to go here to make
24
   sure I answer it right. Probably RCFC; right?
25
             MR. YUEN:
                         I think it would be RCFC Kaloko
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1	COMMISSIONER KAMAKEA-'OHELO: No problem.
2	Here's my question.
3	MR. MEYER: Yeah.
4	COMMISSIONER KAMAKEA-'OHELO: The sewer
5	line, the proposed sewer line, the proposed route is
6	offsite of this proposed project; is that correct?
7	MR. MEYER: Correct.
8	COMMISSIONER KAMAKEA-'OHELO: Now, was
9	there ever an archaeological impact statement or a
LO	cultural impact survey done on the route of the
L1	proposed sewer line?
L2	MR. MEYER: Yeah. That was part of the
L3	whole design process. They had to go through that
L 4	in order to get the sewer line in.
L 5	COMMISSIONER KAMAKEA-'OHELO: And when was
L 6	that survey done?
L7	MR. MEYER: I'm not going to be able to
L 8	give you exact dates right now. I can tell you it
L 9	was done through the process of late teens
20	through '21 was the process of getting all that work
21	done.
22	COMMISSIONER KAMAKEA-'OHELO: Because in
23	reflection of Mr. Kato's testimony that after
24	previous archaeological surveys had been done, new
25	discoveries have been made, it is my experience that

sometimes these projects overlook some culturally sensitive areas, and what that leads to is a social impact on the community, especially Native Hawaiians.

And understanding that there are very significant findings, especially within the proposed 11-acre development for the affordable housing, so significant that the recommendation from the archaeologist was to preserve in place, now, my concern is if there were ever any inadvertent finds that weren't previously identified, that construction would be under way that would be so substantial that potential discoveries of burials may be moved.

And it is my kuleana and my duty to remind us that according to the Kingdom of Hawai'i

Constitution of 1843 that any disturbance of burials is against the law. So with all of that said in this moment in time, I would re-ask the question that Commissioner Ohigashi posed.

Would you as the petitioner be open to at least considering at this moment in time, because of the cultural sensitivity of the projected construction area, to at least consider putting out an additional archaeological impact survey for

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especially the proposed route for the sewage line?
 1
 2
             MR. YUEN: May I have a minute with my
   client before he answers that?
 3
 4
             VICE-CHAIR CABRAL: Yes, you may.
 5
                       Mahalo, chair. Thank you.
             MR. YUEN:
 6
             VICE-CHAIR CABRAL: We'll take a very,
 7
   very short recess. Seven minutes.
 8
              (Recess taken 12:10 - 12:15 p.m.)
             VICE-CHAIR CABRAL: Okay. Let's go ahead
 9
10
   and see if we can finish up with Mr. Meyer.
11
             Commissioner 'Ohelo, do you have more
   questions?
12
13
             COMMISSIONER KAMAKEA-'OHELO: No further
14
   questions, chair. Mahalo.
15
             VICE-CHAIR CABRAL: Okay.
16
             Other commissioners, any more questions of
17
   our witness here, testifier?
18
             COMMISSIONER YAMANE: Madam Chair?
             Yes. Commissioner Yamane?
19
20
             COMMISSIONER YAMANE: Thank you, madam
21
   chair.
22
             Mr. Meyer, thank you for your testimony.
23
   I just have a couple of questions. As part of your
24
   due diligence, did you read through the history of
25
   the Land Use Commission orders granting any
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1 extensions?

MR. MEYER: I did. Yes.

the 1993 order of the condition that was added that the petitioner develop the property in compliance with the representations made to the commission?

Failure to do so -- failure to so develop the property may result in reversion of property to its former classification or change it for more appropriate classification.

MR. MEYER: Yes.

COMMISSIONER YAMANE: Now, I'm fast forwarding to when you folks already owned it.

Seems like there was another -- were you aware of another approval of extension prior to your company purchasing or acquiring the property in 2013?

MR. MEYER: I don't remember the whole history of all them, but, yes, we certainly have looked through that entire history and documentation.

COMMISSIONER YAMANE: And as part of your due diligence, were there any risk or red flags raised by the developers you represent on any of these conditions that the Land Use Commission imposed throughout the history of the granting of

these extension requests? 1 2 MR. MEYER: I guess I think the feeling 3 throughout was we could see a path where we could continue to move forward under these extensions that 5 had been given and that we could continue to move 6 forward in a productive way toward a conclusion that 7 was going to be positive. COMMISSIONER YAMANE: So it seems like 8 your first interfacing with this Land Use Commission 10 was in 2016; is that correct? 11 MR. MEYER: Me, personally, that's certainly correct. Is 2016 the year that we did the 12 13 affordable housing? 14 **COMMISSIONER YAMANE:** Yeah. You folks 15 went to amendment motion that was partially --16 MR. MEYER: Correct. 17 **COMMISSIONER YAMANE:** -- and partially 18 denied, and then partially approved. 19 MR. MEYER: Yes. Yes. 20 COMMISSIONER YAMANE: So that was it, so. 21 And I guess my question is now you already know 22 about the 2023 time, I guess, and you're kind of up 23 against. Was there any timing on construction at 24 2016 that considered that in 2023 that you would

have to come up here again for another extension?

MR. MEYER: So I can answer it in a broad sense. We have certainly been sensitive to the fact that it was important to continue making progress here. We've seen a succession of extensions and renewals over a period of time that the pattern of that looks like as long as there was positive progress being made, there was a general cooperation between the history of developers and the Land Use Commission to keep moving down the path of the plan that was originally approved.

We've worked very hard to make sure we were making good progress, and probably even more progress than had been made in the several years before we came in. And, you know, like anything with development and most business, sometimes it takes longer to get there than you hope, but we're excited about where we've gotten to this point, with the sewer line under construction and affordable housing under construction at this point.

COMMISSIONER YAMANE: Okay. Thank you.

And on your proposed schedule for completion of

Phase 1, I think it listed in here it's we have

construction starting in March 2024, and then you

have your timeline June 2024 with substantial

completion of residential unit construction in March

2026. 1 MR. MEYER: That's for the first increment 2 3 of 46 units. 4 COMMISSIONER YAMANE: Of the -- okay. And 5 then was that -- like, I guess for me, it looks like you guys did that because you guys knew that you'd 7 have to come in with something to the Land Use asking for that extension. Is that -- I mean, how realistic is that timeline? 10 MR. MEYER: It was really tied to when we were able to get the sewer line in. I mean, we 11 12 hoped it would happen a year or two earlier. It 13 just took a really long time to get through the process with the county of getting the sewer line 14 15 routed, getting the CID done, just all the things that it took to get there. We would much rather 16 17 have been a couple of years earlier. 18 **COMMISSIONER YAMANE:** Last question, Madam 19 Chair. Thank you. 20 Is it your opinion -- if this Land Use 21 Commission does not approve this time extension, is 22 it your understanding that you're still good to just 23 complete what you're proposing to do in this 24 schedule?

MR. MEYER:

I think we're in position to

keep going forward on the Phase 1 piece of it. 1 think that within the spirit of how we have worked 3 with the Land Use Commission over time, I think it would be consistent to continue down that path and 5 that a ten-year extension right now would make sense in the spirit of how this deal has progressed, 7 because it would give an appropriate amount of time to be able to really satisfy the requirements of the Land Use Commission being able to evaluate has there 10 really been substantial completion of this first 11 phase lands -- and again, I don't want to confuse 12 you with phase -- of the entire north side lands, of 13 these 540 unit development, the affordable housing being completed, you know, the infrastructure being 15 in place, all the things needed to get through that 16 first 500-plus units of housing.

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A ten-year timeframe, given the reality of how long it takes to develop here and reasonable assumptions for how long it takes to sell things out, would be an appropriate timeframe at which to evaluate that again.

COMMISSIONER YAMANE: Would the ten-year extension stop you from doing that in that Phase 1 proposal?

> It doesn't stop me from moving MR. MEYER:

forward on the Phase 1 proposal. What not having clarity does is it makes it more difficult to make the big decisions of large infrastructure of Phase 2, because you want to be able to continue to move forward through the project.

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But there's benefit to having clarity of what that is going to look like. And so to have an appropriate amount of time to get to where there can be a satisfaction of that requirement for moving forward into Phase 2 makes the entire proposition make more sense.

12 COMMISSIONER YAMANE: Okay. Thank you.
13 No further questions.

Thank you, Madam Chair.

MR. MEYER: But if I could address the questions earlier about the archaeology, I want to make sure that I respectfully reply to some of your concerns. Is that --?

VICE-CHAIR CABRAL: Yes. That would be appreciated. Thank you.

MR. MEYER: Okay. Yeah. Didn't want to get out of that question, because I think it's an important one. I appreciate it.

So there's kind of two different questions at hand. One of them is are we going to go redo our

entire archaeology upfront on the first phase. And the other one is are we going to be respectful of the archaeology and the history out here and make sure that we abide by the rules and regulations and laws that are in place to do so.

I think to the first question, the answer is we're not in a position right now to go redo that entire process. I probably have never done a large-scale study of a property in my entire life that somebody couldn't go, how do you know you got everything right? And the answer is probably never that we can get everything exactly right the first time.

But what we are committed to is that there will be no you find a burial out there and you say, hey, let's go move it to somewhere else. We are a very large firm with a lot at stake in both our reputation and our financial side of our company. There is not a scenario where we're going to go out and risk that by doing some illegal activity with regard to burial grounds or anything else that the law requires us to follow.

We take that responsibility very seriously, both from a legal standpoint and from a reputational standpoint. It would be a big problem

for us if we did something like that. That's not how we do business. It's not something we'd ever be interested in doing. We have tremendous respect for the part of the world that we're working in here, for the history of it. It's one of the things that makes it special.

So for whatever good that is, you have my full assurances that that is not how we do business, and it's not how we do business.

In addition to that, there are rules within our preservation plan and the various plans that we have with the archaeology that requires to have constant monitoring as we go through our process. And it requires us to continually update as we get into these areas.

We'll have archaeology out there with us monitoring the entire process, and if things come up, we will have to deal with them. And we expect that. And honestly, it wouldn't be surprising if we find some things along the way; right? There's dense vegetation. It might come up along, and if it does, we are fully committed to addressing it the right way within the law.

So one other piece that I wanted to address, and it was addressed in the EA that was

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done for the affordable housing site, the sewer line
 1
   that's going on was determined to not be -- just
 3
   read it. "The proposed sewer line is located in
   already disturbed county road right-of-way.
 5
   Therefore, no impacts to historical archaeological
 6
   sites are expected."
 7
             So that route was chosen wisely for that
   reason. But again, I mean, I've seen it since I've
 8
   been here when the Ane K Highway was under
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   construction, and a site came up, and the project
   had to stop for a while, and they had to work around
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12
   that, redesign, and figure it out. And if something
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   like that happens, that's what we'll have to do.
             So your concerns, I understand them. I
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15
   assure you we are not a group of lawbreakers. It's
16
   not something we're interested in doing.
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             VICE-CHAIR CABRAL: Go ahead.
             COMMISSIONER KAMAKEA-'OHELO: Mahalo,
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19
   chair. If I could just comment?
20
             Mahalo for your answer and your response.
21
   I just want to tell you that you are heard, and I
22
   really appreciate it.
23
             MR. MEYER:
                         Thank you.
24
             COMMISSIONER KAMAKEA-'OHELO: With that
25
   being said, no further questions, chair.
```



1 VICE-CHAIR CABRAL: Okay. Commissioner Okuda? 2 COMMISSIONER OKUDA: This is Gary Okuda. 3 Thank you, Madam Chair. 4 5 Thank you for your testimony. Let me just 6 make one comment on what Commissioner Kamakea-'Ohelo 7 had mentioned about, you know, along his lines of questions. The reason why we are asking many of these questions is that the duty to protect Native Hawaiian cultural sites, practices, resources is 10 11 part of Article XII of the Hawai'i State 12 Constitution. It comes out of the 1978 13 constitution. I kind of remember a little bit about it because I worked at the convention before I went 14 off to law school. 15 16 And frankly, at that convention there were 17 several hundred delegates. I do recall Mr. Yuen 18 being a young radical participating down at the 19 convention also. But he and his group actually were 20 the people that pushed forward a lot of provisions in the constitution, including Article XII. 21 22

And, you know, there were very, very few Native Hawaiians in that convention. And so these provisions in the Hawai'i State Constitution which mandate us to take these protective actions were

23

24



basically a statement of common goals and objectives

by everybody who calls Hawai'i home who aren't

3 necessarily Native Hawaiians.

So it's really, you know, something that's more than just, you know, a view of any limited group or ethnicity in Hawai'i. It's something I think we all believe is it makes us different and special.

But it's also a requirement under the Ka
Pa'akai versus Land Use Commission case where the
Supreme Court has told us, hey, Land Use Commission,
under the penalty of being reversed, you've got to
affirmatively ask these questions. You cannot even
delegate it to a developer.

So that's the background. So we don't intend any offense to you or anyone else when we ask these questions. We're just duty bound to ask them. Let me also say this before I ask my other question. And let me frame my question so you understand where I'm coming from.

You know, with the risk of offending some of my neighbor island friends and colleagues, you know, I believe that the Superferry was a good project. But the reason why we don't have a ferry system is because a number of people, including in

government, decided to short circuit and ignore the requirements of the environmental impact statement rules, Chapter 343, and in the end, the failure to do the things that were required under Chapter 343 led to Hawai'i Supreme Court shutting the project down.

So, you know, we also can from a public policy standpoint argue whether this is good for policy or bad for policy that developers -- and we shouldn't even use the word "developers", because sometimes that has a negative connotation. People who really want to provide housing for the community are put through a lot of hoops where you start wondering is it really worthwhile. So I recognize that, too. But at the same time, you know, a lot of good projects are lost just because of noncompliance with the law.

So let me ask you this. And you can consult with your lawyer, and Mr. Yuen can answer this question, too, if he thinks it's more appropriate. Is there a practical, a real practical problem if we don't grant the request you're asking for right now and you do an environmental review assessment, if necessary, on the entire project, because it seems like the sewer line, which, by the

way, it's always better to connect to a sewage treatment station than dump stuff in a cesspool; 3 okay? That's more than just commonsense, and it's crazy that you get punished by having to jump through more hoops because you're doing the right 5 6 thing environmentally. 7 But what would be the practical harm in 8 just maybe doing this assessment, which would also take into account, you know, the concerns that were 10 raised in public testimony about whether there could be potential impacts to the surrounding areas, and 11 just do that? 12 13 And would there be any real practical delay in what you're doing right now, because you 14 15 might be able to do that within the same period of 16 time, and nothing really slows down, and in the end, 17 you know, it will be an ironclad or close to an 18 ironclad legal situation? 19 I mean, is there a practical problem in 20 just trying to comply with Chapter 343? 21 MR. MEYER: I can speak to that. 22 **COMMISSIONER OKUDA:** Yeah. 23 MR. MEYER: I believe we do comply with 24 Chapter 343. It lays out areas where you have to go



through certain assessments and areas where you

don't. And I believe we are in compliance with it.

And there certainly is a huge practical problem with at any point the process that you go through to get to where you're entitled to go build something is a long and laborious process. It's the rule of law. We go through all this stuff so that we can get to a point where we can go build something.

COMMISSIONER OKUDA: Yeah.

MR. MEYER: To then say, well, let's go back and start it over again, just from a practical standpoint makes no sense.

commissioner okuda: Yeah. Well, let me just so that you don't think I'm just pulling this
out of thin air.

And if you, Madam Chair, if you can just indulge me for a couple of minutes, I just want to read a bunch of sentences, a few sentences out of this other case, Sierra Club versus Office of Planning State of Hawai'i, which is found at 109 Haw. 411 at pages 415, 416. The Pacific Third citation is 126 P.3d 1098 at 1102 to page 1103. That's a 2006 Hawai'i Supreme Court case.

And this is what the Hawai'i Supreme Court said, you know, in connection to what triggers a 343

And this is the quote that the Hawai'i
Supreme Court gives from that case, and I quote,
"Construction of two underpasses under a state
highway constitutes use of state lands for purposes
of HRS 343-5(a)(1)." And then there's a citation to
another case, which follows that statement, Kahana
Sunset Owners Association versus County of Maui, and
there's a Hawai'i Reports and Pacific Second
citation given.

14

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And then the Hawai'i Supreme Court puts in parentheses what that case means, and I quote,
"Holding that the proposed drainage system which would run under state land was 'part of the larger project', and thus the EA 'must address the environmental effects of the entire proposed

development'."

And what the Hawai'i Supreme Court finished up in this case, Sierra Club versus Office of Planning State of Hawai'i, this is the final sentence in what I'm reading. "Accordingly, the project is an action that proposes the use of state lands, and an EA that addresses the environmental effects of the entire project is required."

So this is the language of the Hawai'i

Supreme Court kind of staring us in the face with

these eyeballs looking at us, telling us this is the

law. And I'll leave it to Mr. Yuen if --

And you can tell me, Mr. Yuen, whether what I read is an accurate statement of the law or it's not an accurate statement of the law, because I don't want to read something that's not an accurate statement of the law if it's not. Do you have any comment on what I read?

MR. YUEN: I agree that that's an accurate statement of the law, but I also believe that the EA that was prepared by HICDC covering the affordable housing project that also covered the sewer line adequately addressed the environmental assessments of the sewer line.

COMMISSIONER OKUDA: Yeah. But that's not

what the Supreme Court said in Sierra Club versus 1 Office of Planning. It says the assessment has to 3 cover the entire project. Anyway, okay, yeah, that's fine. I have no further questions. Thank 5 you. 6 VICE-CHAIR CABRAL: Commissioners, any 7 more questions of Mr. Meyer at this time? I have a couple of what I hope are quick 8 9 ones. Up on the top righthand corner of Exhibit 45, 10 it shows natural gas storage. So you're going to be having a storage tank there to service your entire 11 Phase 1 or something? Or what is the intention of 12 13 having natural gas storage on your top corner? 14 MR. MEYER: Yes. So often, as you 15 probably know, people have individual storage tanks 16 at each house throughout a subdivision. 17 VICE-CHAIR CABRAL: 18 MR. MEYER: We feel like it's a better 19 solution here, and there's good solutions for it, to 20 do a centralized tank and then to vent pipes around 21 to the various homes in the community. Just reduces 22 the amount of traffic and maintenance through the 23 community involving filling up the tanks, 24 maintaining them, all that.



VICE-CHAIR CABRAL: I manage a lot of

subdivisions. We should talk. But aside from that 1 2 3 MR. MEYER: Love to hear your thoughts. 4 VICE-CHAIR CABRAL: Thank you. Anyway, my 5 other question is I see that you've got different 6 entrances that say gated entry, but yet there was a 7 reference earlier, and it's Part 2 overlay, and I really wish we had one really big screen up there that I could really put this through my mind. 10 Instead, when I look up there, you're describing it, and we have some of those photos, and that I 11 12 appreciate we have here. 13 But you constantly referenced several times on one of the photos in the red line where a 14 15 roadway is being put in to what I think to be Phase 16 1, which is your first section. We're talking about 17 all of this being built, not increment 1 and your 18 increment 1B; okay? 19 So yet that was being said that that would 20 be a public roadway. Am I incorrect that that would 21 also be a roadway into the same area that you have 22 Phase 1A, Phase 2A, you know, your 10,000 square 23 foot, your 15,000 in that photo? Okay. 24 MR. MEYER: There's a distinction between

these two. I think we might be talking about two

```
different pieces of the discussion. Maybe if we
 1
   could just pull the slide up here, I can go point.
 3
   Would that be --?
 4
             VICE-CHAIR CABRAL: Yeah.
                                        That would be
   fine. I'd appreciate that. I like pictures.
 5
 6
             MR. MEYER: Please do that.
 7
             MR. YUEN: Yes. That's Exhibit 45.
             VICE-CHAIR CABRAL: You just had it.
 8
   Okay. I can tell off of that.
10
             MR. MEYER: So two roadways we're talking
11
   about here. One of them was talked about earlier
   that's going to be a public through road for the
12
13
   county and is going to be re-routed plans that work
   better for traffic. And it's a crossroad connector
14
15
   that comes from Hina Lani here and goes to this
16
   other side, the side that's (inaudible).
17
             VICE-CHAIR CABRAL: Okay.
             MR. MEYER: That's a public road.
18
19
             VICE-CHAIR CABRAL: Right above the
   affordable housing site.
21
             MR. MEYER: Above the affordable housing
22
   site there. It comes down (inaudible).
23
             VICE-CHAIR CABRAL: Okay.
24
             MR. MEYER: The other piece that's going
25
   in tomorrow (inaudible) is right here.
                                            This is our
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gated entry. It's a private road. (Inaudible.)
 1
   This is Phase 1A. This is Phase B. (Inaudible.)
 3
   That's 49 RS-10 lots.
 4
             (Inaudible.)
 5
             VICE-CHAIR CABRAL: Okay. And then so
 6
   that section, when you say the red line, that's
 7
   actually down there below or connecting to --
8
             MR. MEYER: I think I was talking about
   the red line to say everything outlined in red right
10
   here.
11
             VICE-CHAIR CABRAL: Oh, yeah. No, no, no.
12
   I'm talking about a different map, because it has to
13
   do with that Holoholo Street extension final report.
14
   So okay.
15
             MR. MEYER: Go to another exhibit?
16
             VICE-CHAIR CABRAL: No, no. It's okay.
17
   So that portion of the road that's being put in is
18
   not part of your inner subdivision, then.
19
             MR. MEYER: This is part of the
20
   subdivision.
21
             VICE-CHAIR CABRAL: Yeah.
22
             MR. MEYER: (Inaudible.)
23
             VICE-CHAIR CABRAL: Right. But that's not
   a public roadway. That's going to be -- okay.
24
25
             Okay. Now, one more question. Just to
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where you're looking to the left of your affordable housing 11 acres, you have a green area that will be below, separate from your subdivision. That is a -- is that going to become a county park or something, or is that part of the affordable section? But they don't look like they included that in their design.

MR. MEYER: That's not actually part of the affordable housing site. What happened was after we had sold the affordable housing site, (inaudible) sold (inaudible). Then Holoholo Street got rerouted a little bit by this county process. So then we had to move the boundary of the affordable housing site around a little bit to maintain the same acreage.

As for planning and everything else, we probably came up with the same acreage as that. So we end up with this little kind of remainder here. We're not exactly sure what that will look like right now. It's highly possible that (inaudible) possible to know it's big enough or substantial enough to (inaudible).

VICE-CHAIR CABRAL: Okay. Okay. Thank you very much. One more final question. You've been involved, you said, since 2016. And apparently, the transfer of this deeded property for

25

offsite.

MR. MEYER: It's going to be up to you

24 guys to put --

25

COMMISSIONER OHIGASHI: And let's say you



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meet the standard and you apply. And you can apply
 1
 2
   for --
 3
             MR. MEYER: Redistricting?
             COMMISSIONER OHIGASHI: -- redistricting
 4
   of Phase 2 of --
 5
 6
             MR. MEYER: Yeah.
 7
             COMMISSIONER OHIGASHI: -- whatever, how
   many acres they decide. It could be some 190-
 8
   something acres; right?
10
             MR. MEYER: Correct.
11
             COMMISSIONER OHIGASHI: What process would
12
   be included then?
13
             MR. MEYER: I think we would be going
14
   through a similar process to what we've gone through
15
   to get this piece done. I think my anticipation
16
   would be, if I just look at what I think is going to
17
   happen on this deal over the years, I think we're
18
   going to make really good progress over the next few
19
   years. We'll start selling homes. We'll get an
20
   idea of what the market looks like and how the whole
21
   project is going.
22
             And we still start within a few years,
23
   then, of the detailed process of detailed mapping,
24
   archaeology, everything that has to go on on the
25
   second phase of the project so that by the time we
```

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get through the first phase, we're ready to move
 1
   straight into the second phase. That's how I would
 3
   expect the process.
 4
             COMMISSIONER OHIGASHI: The second phase
 5
   was given conditional approval, and you're saying
 6
   that it's a ministerial part, that you would just be
 7
   permitted to start building because you made the
   ten-year requirement? Is that what you're telling
 8
 9
   me?
10
             MR. MEYER: As I understand it, if you
   give the extension, then you have to evaluate at
11
12
   that point, when we come back in for redistricting,
13
   have we satisfied the requirements of the extension.
14
   Have we satisfied the requirements of the order;
15
   right?
16
             And so at that point, then, we would be
17
   coming to you and saying we believe we've satisfied
   it. We would expect that if that's the case, if
18
19
   everyone agrees, then the project would be -- that
20
   property would be redistricted, and we would be
21
   ready to move forward.
22
             COMMISSIONER OHIGASHI: By previous act;
23
   right?
24
             MR. MEYER: You'd be right there.
25
             COMMISSIONER OHIGASHI:
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By previous act,

yeah. And at that time there'll be no requirement 1 for updated environmental impact statements. 3 There'll be no requirement for updated cultural assessments for that part. I think all those other 5 things will not be required at that point because 6 you already have conditional approval so long as you 7 meet these documents; is that right? MR. MEYER: I think it would be, because I 8 think in order for us to move forward with 10 development, there's all sorts of laws that we have 11 to satisfy as we go to develop the property; right? 12 Like, we can't go develop the property without an 13 archaeological --14 COMMISSIONER OHIGASHI: Well, you would be 15 able to redistrict without. 16 MR. MEYER: We could redistrict. We can't 17 go develop it without doing all those things. 18 COMMISSIONER OHIGASHI: We have no -- we 19 have no say; is that right? 20 MR. YUEN: Correct. The commission back 21 in 1983 said the second phase is reclassified 22 conditioned upon substantial completion of the first 23 phase. 24 I don't believe any of those MR. MEYER: 25 other items that we'd have to go through is

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circumvented; right? There's still a whole zoning
 1
   process. There's still a whole process of getting
 3
   approvals for everything we do out there that we
   have to go through on every phase that we do.
 5
             COMMISSIONER OHIGASHI: I just want to
 6
   clear that up, make sure.
 7
             VICE-CHAIR CABRAL: Okay. Commissioners?
 8
             MR. MEYER: Thank you, commissioner.
             VICE-CHAIR CABRAL: Are there any more
 9
10
   questions, commissioners? Speak now or forever hold
11
   your peace. Okay.
             Mr. Yuen, as I understand, you have no
12
13
   more folks that you're going to have testify.
14
             MR. YUEN: Correct.
15
             VICE-CHAIR CABRAL: Okay. Well, we are
16
   preparing for a 45-minute break so that we can take
17
   lunch. Our lunch came to us, but we expect you
18
   folks will have to drive somewhere or go on a diet,
19
   so. And I'd also -- we will try and open these
20
   doors, because we're going to happily be serenaded
21
   during lunchtime, and we'll try and warm up the room
22
   during this 45 minutes. So I'd like everyone to
23
   return at 1:35. Okay. Thank you very much.
24
             (Lunch recess taken 12:50 - 13:38 p.m.)
25
             VICE-CHAIR CABRAL: I call the meeting to
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order. Thank you all for your promptness. Okay.
 1
   I understand it, Petitioner Yuen has completed
 3
   presenting his folks that he wanted to have testify.
   Is that correct?
 4
 5
             MR. YUEN: That's correct.
 6
             VICE-CHAIR CABRAL: All right. Thank you
 7
   very much.
 8
             Now I'd like to go ahead and proceed now
 9
   with the County of Hawai'i.
10
             COMMISSIONER OKUDA: Chair?
11
             VICE-CHAIR CABRAL: Commissioner --
12
             COMMISSIONER OKUDA: Okuda.
13
             VICE-CHAIR CABRAL: Okuda. Yes.
14
             COMMISSIONER OKUDA: May I ask Mr. Yuen
15
   just one more question?
16
             VICE-CHAIR CABRAL: We would wonder if you
17
   didn't have one more question.
18
             COMMISSIONER OKUDA: Mr. Yuen, can you
19
   tell us whether or not you believe a Ka Pa'akai
20
   analysis needs to be done at this point in time?
21
   And if not, why not?
22
             MR. YUEN: I believe what we're here for
23
   is the motion, a request for an extension of time.
24
   And this petition pre-dated the Decision & Order in
25
   this petition, pre-dated the Ka Pa'akai decision.
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25

of the project.

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1
             COMMISSIONER OKUDA: Yeah. Okay.
                                                 Thanks
 2
   very much.
 3
             VICE-CHAIR CABRAL: Okay. Thank you very
 4
   much.
 5
             Let's go ahead and proceed. So I'd like
 6
   at this point the County of Hawai'i to make their
 7
   presentation.
 8
             MS. CAMPBELL: I was about to say good
   morning. I guess it's now good afternoon, everyone.
10
   Jean Campbell, deputy corporation counsel for the
11
   County of Hawai'i representing the Planning
12
   Department.
13
             We don't really have a presentation per
14
   se, but we did want to let you know that the county
15
   supports this project. And as you saw in the
   stipulation, we're obviously in support of the
16
17
   extension request.
18
             As you well know, our county, especially,
19
   and the state as a whole have a dire shortage of
20
   housing, and the county believes that this project
21
   provides housing across a spectrum. It provides
22
   affordable housing. It also provides market
23
   housing, all of which we need.
24
             So we really -- I don't have a whole lot
25
   more. I'll hand it over to the director, if you have
```

additional comments?

DIRECTOR KERN: Sure. Good afternoon,

Madam Chair, land use commissioners. Good to see

you all. Thank you for the opportunity to speak

briefly on this.

We agree with corporation counsel. We support the project and support the petition. On Hawai'i County we definitely have a need for housing, all types of housing, market housing, affordable housing, low-income housing, the range and the spectrum.

And oftentimes folks are coming in,
looking to do something, and there's a couple of
issues that generally always come up -infrastructure, infrastructure, infrastructure. And
in this case we have a project that has water, has
the roadways, and has sewer.

These folks took around five years to go through the CFD, the Community Facilities District process. It's the first CFD on the island, and it's a key to, I think, allowing for future housing developments in other areas, not this CFD for this project, but other CFDs. This is our first time doing that. That did take some time, and I'm really happy that we got it approved.

So seeing that, to come together with the infrastructure, roads, water, sewer, and a developer that's willing to do it, that doesn't come together very often. We don't see a lot of new projects here in Kona. We've seen some approved, but we don't see them going all the way through.

The master plan. I want to speak to that really quickly. I know that there was a comment about that. The master plan was updated, and it was sent to the Land Use Commission in 2018 in the annual progress report. So at that time, that was brought forth.

The conversation around the archaeology and, you know, the grading, the archaeology, which is a serious matter, there is the existing EIS.

There's a burial treatment. There's a data recovery plan.

Now, when they come in to do the next phases of the projects, they have to do a grading permit for each of those phases. The grading permit goes to the Department of Public Works, and that gets sent to the State Historical Preservation Division, or SHPD.

SHPD does a review at that time, and they
say we agree with the existing AIS and the

VICE-CHAIR CABRAL: Okay. Petitioner, do you have any questions of him?

I'm happy to answer any questions. Thank you.

23

24

25

1	MR. YUEN: None.
2	VICE-CHAIR CABRAL: This time I go to the
3	commissioners first.
4	Commissioners, any questions of the County
5	of Hawai'i's presentation?
6	COMMISSIONER OHIGASHI: Madam Chair?
7	VICE-CHAIR CABRAL: Yes. Commissioner
8	Ohigashi?
9	COMMISSIONER OHIGASHI: The County of
10	Hawai'i is satisfied with the amount of affordable
11	housing that they are presently going to get?
12	DIRECTOR KERN: Agreements were made.
13	Decisions and orders were approved. Rezoning
14	ordinances were approved. And that was agreed upon
15	with the percentage of affordable housing, and based
16	on those agreements, we're satisfied with that.
17	COMMISSIONER OHIGASHI: So another
18	question is that the county from their perspective,
19	my understanding of incremental boundary amendments
20	was that we would give an incremental boundary
21	amendment conditioned upon, in this case, having it
22	developed within a ten-year period of time.
23	And the reason for that would be that all
24	the studies done, everything would be done. It
25	would be fresh and would be applicable. Here we

have a case where if adopted, it would be 50 years 1 from the time of approval. Is it the county's position that incremental boundary amendments should be allowed 50 years later on? DIRECTOR KERN: That depends. And I would 5 6 say if SHPD had looked at, say, the AIS, and it was 7 older, and they said that they wanted an update on it, then I would say that that would be a viable update. In other cases --10 COMMISSIONER OHIGASHI: I'm asking about the incremental. 11 12 DIRECTOR KERN: It depends. I can't have 13 a universal yes or no. That really depends on the 14 project. 15 COMMISSIONER OHIGASHI: But in this case 16 you believe that the 50 years is a reasonable 17 requirement. 18 DIRECTOR KERN: In this case, on what I've 19 seen with the annual progress reports, the 20 substantial work that's been done, the intersection 21 improvements that have been done, I would say that 22 we agree with it at this point in time. And that's 23 why we have agreed with the petition. 24 COMMISSIONER OHIGASHI: Would you agree 25 that any kind of environmental assessment or any

```
kind of archaeological study done even 20 years ago
 1
 2
   were maybe too stale?
 3
             DIRECTOR KERN: It's possible. We have
 4
   seen applications come in with older AIS,
 5
   archaeological inventory surveys, where SHPD has
 6
   requested an update.
 7
             COMMISSIONER OHIGASHI: And how would you
   determine whether or not they're stale or not? What
 8
   mechanism within your county's purview?
10
             DIRECTOR KERN: When it comes to
11
   archaeology, we seek SHPD's approval on that. We
   don't make that decision on whether or not it's
12
   stale. It's the State Historic Preservation
13
   Division.
14
             COMMISSIONER OHIGASHI: What about
15
16
   drainage studies that allegedly go into down there
17
   and go into that fishpond, all those kinds of
18
   things?
             DIRECTOR KERN:
19
                             Yeah.
20
             COMMISSIONER OHIGASHI: Were those not
21
   stale, given the fact that there's a new use down --
22
             DIRECTOR KERN: So the drainage studies.
23
   Again, it's hard to make universal statements, but
24
   in the case of a drainage study, they have to comply
25
   with Chapter 27. You know, all water generated
```

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onsite has to remain onsite. And that's an ongoing,
 1
   continuous condition in law.
 2
 3
             COMMISSIONER OHIGASHI: Was that done
 4
   here?
 5
             DIRECTOR KERN: They will need to do that.
 6
             COMMISSIONER OHIGASHI: And is that --
 7
   what mechanism within the county is there to make
   sure that the drainage --
 8
 9
             DIRECTOR KERN: The grading plan, drainage
10
   plan, subdivision plans goes through -- so when they
11
   submit their subdivision plans, we do a tentative
12
   approval that requires them to go through the
13
   grading and drainage studies.
14
             COMMISSIONER OHIGASHI: And that would be
15
   on the existing law.
16
             DIRECTOR KERN: Under existing conditions.
17
   Under existing law and under existing conditions.
18
             COMMISSIONER OHIGASHI: That may have been
19
   modified from 50 years ago; is that right?
20
             DIRECTOR KERN: Yes. So, like, you know,
   if there's a plan submitted for a subdivision a
21
22
   while back and adjustments are made to that, that
23
   needs to be looked at currently.
24
             COMMISSIONER OHIGASHI: Following that
25
   same logic, wouldn't it be prudent to determine a
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boundary amendment of the Phase 2 of any of this
   kind of project under existing standards rather than
 3
   rely on past standards?
 4
             DIRECTOR KERN: Yes. So my understanding
 5
   for a Phase 2 on it is that just changes the
   district boundary amendment. They will have to
 7
   come, if they're going to do a completely new
   archaeological inventory survey on that one, they'll
   have to do a rezoning on that one and go through
10
   that entire process.
11
             COMMISSIONER OHIGASHI: Well, boundary
12
   amendments are meaningless because it would be all
13
   these other -- other issues will be resolved by the
14
   county.
             DIRECTOR KERN: I'm not sure if I
15
16
   understand that statement. I don't think the
17
   boundary amendment --
18
             COMMISSIONER OHIGASHI: We don't need to
19
   do a new boundary amendment because we have all this
20
   other stuff --
21
             DIRECTOR KERN: No. What I'm saying it's
22
   for Phase 2.
23
             COMMISSIONER OHIGASHI: So I'm asking you
24
   is that --
25
             DIRECTOR KERN: For Phase 2, the second
```

phase of it, they will need to. So to the district boundary amendment for Phase 2 will basically set the stage to say, hey, this is urban, we can move forward with this type of use. That will set the stage for all the rest of the study that will need to be done for the current rezoning that they would have to go through.

For Phase 2 they need to do all of it, whatever current trend is, whatever current requirements are there.

COMMISSIONER OHIGASHI: And assuming that we don't agree to this time extension, and they would have to come to redo, none of that would happen; is that right? None of what you mentioned would happen. In other words there won't be a district boundary for Phase 2.

DIRECTOR KERN: If the district boundary amendment extension isn't approved and the time isn't made to make that, then, yes, that would be the case, and they wouldn't have that district boundary amendment.

COMMISSIONER OHIGASHI: So are you saying, then, that we should be giving the extension of time because a new review by the Land Use Commission for that additional acreage would be done by the county

in terms of providing drainage plans, archaeological
sites annually?

DIRECTOR KERN: That is my feeling. Yes.

And my feeling is a lot of these areas in our urban core, I would like to see the State Land Use

Commission change those to urban, so we can set the stage, and we can have folks have a certain level of certainty to be able to come in after that and do their rezoning, do their archaeological, do their traffic, whatever they need to do through the rezoning process. That is my feeling.

COMMISSIONER OHIGASHI: And what about the case that my learned colleague brought up? That analysis has never been done. It has never been done for that particular parcel. And we have an opportunity to make sure that that gets done. So do you want to do that or not?

that type of analysis for Phase 2. We do require the Ka Pa'akai analysis for our projects. Whether it's a special permit, a use permit, or a rezoning application, that stays at the county level. We go through all those processes to ensure that we're upholding all of the rules and laws that exist.

COMMISSIONER OHIGASHI: So we may as well



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give up the Land Use Commission, then, and let the
   County of Hawai'i handle everything. That was a
 3
   comment.
 4
             VICE-CHAIR CABRAL: Okay. Thank you very
 5
   much.
 6
             I failed to swear you in, apparently.
 7
             DIRECTOR KERN: I do swear to tell the
8
   truth, and I have told the truth.
 9
             VICE-CHAIR CABRAL: Okay. Thank you very
10
   much. Okay. And identified as Planning Director
11
   Zendo Kern. Okay.
12
             DIRECTOR KERN: All the way back.
13
             VICE-CHAIR CABRAL: Okay. And your
14
   address, whichever address, home or, I guess,
15
   office.
16
             DIRECTOR KERN: I work at Aupuni Street,
17
   Suite 2.
18
             VICE-CHAIR CABRAL: Okay. Hilo.
19
             DIRECTOR KERN: Hilo, Hawai'i 96720.
20
             VICE-CHAIR CABRAL: There we go.
21
             DIRECTOR KERN: That's the county building
22
   in Hilo, Planning Department. You can find me
23
   there.
24
             VICE-CHAIR CABRAL: Okay. Thanks. Thank
25
  you very much.
```



know, what citation to the case or the statute or 1 2 learned treatise or what have you? MS. CAMPBELL: Good afternoon. 3 Campbell, deputy corporation counsel, again. I 5 think the Supreme Court has not answered that question yet. Is it the move straight forward? And 7 so it does leave it open to interpretation. And I would agree that Mr. Yuen's interpretation is a valid one. 10 But I think the simple answer is the court has not addressed that question yet about whether Ka 11 12 Pa'akai is intended to be retroactive essentially in 13 a case like this, or exactly what does it mean for the LUC to take an action. 14 15 COMMISSIONER OKUDA: Yeah, but --16 MS. CAMPBELL: I think we don't have that 17 answer. 18 COMMISSIONER OKUDA: But what I -- do you 19 agree that what I read is the plain English 20 statement of the law as stated by the Supreme Court, 21 that the LUC may not act without independently 22 considering the effect of their actions on Hawaiian 23 traditions and practices? 24 MS. CAMPBELL: I don't have the case in 25 front of me, but I trust that you are reading it

1 straight out of the case, so, yes, I would agree 2 that that is a statement.

COMMISSIONER OKUDA: And if we don't have a Ka Pa'akai analysis here, doesn't that place this decision at risk, if we were to grant the relief being requested by the petitioner?

MS. CAMPBELL: I think the spirit of the case is completely addressed by what Director Kern said, knowing that that extension is simply going to allow the certainty for the project to move ahead, and all of the other processes are going to kick in, at which case every single time the County of Hawai'i looks at this, the Ka Pa'akai analysis will take place. So I don't think it's absolutely an either/or that it will never happen.

COMMISSIONER OKUDA: Yeah, but isn't it true that that's in fact the point that Ka Pa'akai made, that the Land Use Commission -- and they were talking about the Land Use Commission -- the Land Use Commission could not delegate its duty to anybody else, including a developer.

So in other words, it's the Land Use

Commission that has to do the Ka Pa'akai analysis.

It cannot be delegated or passed off to anyone else.

Wasn't that what the Supreme Court said in Ka

Pa'akai?

MS. CAMPBELL: I definitely understand that that is your reading of the case, yes. And like I said, I would agree with Mr. Yuen that it was not intended to be retroactive.

COMMISSIONER OKUDA: Oh, okay. Thank you.

VICE-CHAIR CABRAL: Okay. Thank you.

Commissioners, anyone else have any questions for the County of Hawai'i? Okay. So we're going to go ahead and move on for the presentation by the Office of Planning and Sustainable Development, State of Hawai'i. Thank you.

MS. KATO: Thank you. Good afternoon, commissioners. I hope everyone had a good lunch break. Alison Kato, deputy attorney general for the Office of Planning and Sustainable Development.

OPSD supports the extension as it's described in the stipulation that we entered with the parties. We previously recommended a change in the amount of time of the extension from ten years to three years, but in the stipulation we changed that recommendation based on discussions with the parties.

So OPSD would not object to an extension



of ten years with the requirement to complete construction within three years of two different things -- the major infrastructure, which is the sewer line, and the required affordable housing for Phase 1.

We believe that the project would provide housing in an area where housing is needed and appropriate. And like the commissioners, OPSD is concerned with the lack of any housing construction after numerous extensions over the last 40 years, but we believe that the requirements included in the stipulation are sufficient to address this concern.

Based on petitioner's representations, an extension of three years should be sufficient for petitioner to either present clear progress on housing construction to the LUC or to allow the LUC to weigh in earlier if the project is further delayed.

Regarding the affordable housing requirement, the number of units currently proposed and being constructed appears to be sufficient for purposes of Phase 1, the number of market units in Phase 1.

OPSD's concern that we raised was that the overall plan with Phase 2 did not appear to propose

additional affordable housing units to meet the 1 requirement, but petitioner represented that this 3 requirement will be addressed for Phase 2. And I think the appropriate timing to address that would 5 be when they submit the application for Phase 2. 6 Regarding the EA, AIS issue, you know, we 7 appreciate the questions from the commissioners, because we think that brought out a lot of information from the petitioner's witness on this 10 matter, and I believe that the information provided by Mr. Moore confirmed what we believe, based on our 11 review of the project, because we initially had 12 13 those questions as well, and we had to look into 14 that. Petitioners state that the EA for the 15 16 affordable housing project addressed the sewer line 17 connection for the whole project capacity, and the 18 project does not otherwise trigger Chapter 343 19 requirements. OPSD finds that this explanation 20 clarifies and addressed the EA question. 21 Those are all the comments I have at this 22

time, but I'm available for questions. Thank you.

VICE-CHAIR CABRAL: Thank you.

23

24

25

Commissioners, any questions for Ms. Kato and the Office of Planning and Sustainable



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1
             MS. KATO: Well, to me it's you get ten
 2
   years extension provided these things occur.
 3
             COMMISSIONER OHIGASHI: Why not make it
   clear, then? Is that all you wanted to make clear?
 5
   I quess I'm just asking you because I was just, you
   know, wondering what it meant. Maybe I'm wrong.
 7
   Just tell me I'm wrong.
8
             MS. CAMPBELL: I'm not sure if petitioner
   and the county had an opinion, but my understanding
10
   of this was that the extension would be given
11
   providing that this occurs.
12
             COMMISSIONER OHIGASHI: If that occurs,
13
   they come back here. If that occurs, then they get
   the other seven. I just want it --
14
15
             MS. CAMPBELL: It's in this application.
16
             COMMISSIONER OHIGASHI: I just want to
17
   know what the position is there.
18
             MS. CAMPBELL: My understanding is the
19
   extension is ten years provided that these things
20
   occur in three years. Otherwise, you don't get that
21
   extension.
22
             COMMISSIONER OHIGASHI: So if it's not
23
   done in three years, then there's no extension;
24
   right?
25
             MS. CAMPBELL:
                            Exactly.
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COMMISSIONER OHIGASHI: 1 It doesn't say that, though; does it? I think Mr. Yuen says no, 3 Is that correct? MR. YUEN: If I may, commissioner, it says 4 5 that we have three years to complete the offsite infrastructure and for Hawai'i Island Community 7 Development Corporation to complete a portion of the affordable housing units. 8 9 We're required to submit annual progress 10 reports to the commission, so before 2026, January 11 of 2026, we'll have to submit an affordable -- I 12 mean, an annual progress report. If we completed 13 it, we'll say in the annual progress report that 14 we've completed the sewer line and however many 15 units HICDC has completed up to that point. And the 16 ten-year extension would be automatic at that point. We wouldn't -- the commission would not have to 17 18 review the whole situation, if we met the first 19 milestone. 20 COMMISSIONER OHIGASHI: Well --21 I think one way to put it is if MS. KATO: 22 they don't meet this three-year deadline, they're in 23 violation at that point. I think you can do an 24 order to show cause. And I think you can --

And what is

COMMISSIONER OHIGASHI:

25

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substantial completion that you have described
 1
 2
   yourself?
 3
             MS. KATO: Oh, you mean what's a --
             COMMISSIONER OHIGASHI: What's a
 4
 5
   substantial amount of --
 6
             MS. KATO: Well, that's a term that --
 7
             COMMISSIONER OHIGASHI: What is the -- or
   what does that mean, how they -- you know, is it you
   complete how many housing?
10
             MS. KATO: Are you talking about the
   substantial completion for Phase 1?
11
12
             COMMISSIONER OHIGASHI: No, no.
13
   talking about the amount of housing they got to
   complete, substantially completed, or something like
14
15
   that. What was it?
16
             MS. KATO: Ten percent.
17
             COMMISSIONER OHIGASHI: Huh? Yeah, I --
             MS. KATO: They need to complete the 10
18
19
   percent.
20
             COMMISSIONER OHIGASHI: It doesn't say
   that; does it? What does it say? What was --?
21
22
             MS. KATO: Equal to at least 10 percent of
23
   the residential units to be built out in Phase 1.
24
             COMMISSIONER OHIGASHI: Okay. So Phase 1,
25
   the total -- so the 100, they have to complete the
```



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100 units.
 1
 2
             MS. KATO: Not necessarily.
 3
             COMMISSIONER OHIGASHI:
 4
             MS. KATO: Because the amount that's
 5
   actually required for Phase 1 is not 100.
 6
             COMMISSIONER OHIGASHI: Oh.
 7
             MS. KATO: It's 10 percent of the market
8
   units.
 9
             COMMISSIONER OHIGASHI: So 60.
10
             MS. KATO: Or not 10 percent of the market
11
   units; 10 percent of the affordable units.
12
             COMMISSIONER OHIGASHI: So 56 they have to
13
   complete. Is that what it is?
14
             MS. KATO: I'm not great at math, but --
15
             COMMISSIONER OHIGASHI: Well, isn't it
16
   they have 560 or something like that?
17
             MR. YUEN: Five hundred twenty units,
   which are 52 units.
18
19
             COMMISSIONER OHIGASHI: So 52 units they
   have to complete; is that correct, what you're
21
   saying?
22
             MS. KATO: I think the intent of the
   original D&O was to consider all of the units in the
24
   project, so I'm not sure that you can take out the
   affordable housing from that total count.
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COMMISSIONER OHIGASHI: If it's all of the
 1
   units in the housing, then it would be 30 more
 3
   they'd have to have; isn't that right?
 4
             MS. KATO: No. No, not 30 more. For
   Phase 1 --
 5
 6
             MR. YUEN: Approximately 62 units of
 7
   affordable housing would have to be done, then, if
   you're going to account the affordables plus the
   market units. But the intent is that affordable
10
   project is to cover some of the affordable
11
   requirement for Phase 2 as well as Phase 1.
             COMMISSIONER OHIGASHI: So 62 have to be
12
13
   built. Is that what you're saying? You'd better
14
   know, because you have to accept the stipulation.
15
             MS. KATO: I have to look at --
16
             COMMISSIONER OHIGASHI: You have to have
17
   the numbers to get that out.
18
             MS. KATO: Because that's how the D&O is
19
   written. And if you want me to give you the exact
20
   number, I'd have to check that and calculate --
21
             COMMISSIONER OHIGASHI: Well, no. You
22
   guys signed it. I'm expecting you folks to know it.
23
   And if there's a number in your head, you should
24
   tell me. If there's no number, just say I don't
25
   know, I don't have a number.
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MR. YUEN: The reason it's written that 1 way is the proposal is to do 520 market price units. 3 It may be that we wind up doing 510 instead of 520, which would reduce the affordable housing 5 requirement. 6 COMMISSIONER OHIGASHI: But in ten years 7 we're going to have make a determination; right? And in that determination, what is the number we have to determine? 10 MS. KATO: Okay. If there are 620 total residential units in Phase 1, including affordable 11 12 housing, then it should be 62. 13 COMMISSIONER OHIGASHI: So why is that not 14 in the agreement, then? MS. KATO: Because they didn't -- I didn't 15 16 want to set it to a specific number in case the 17 plans change, because I --18 COMMISSIONER OHIGASHI: The reason why I'm 19 asking is because you gave me that version that it's 20 going to be a hundred units, actually 99, if you 21 count the manager's. But, you know, that's not the 22 impression that you gave us in the commission. 23 That's why I'm asking these questions. I want to 24 clear that up. I don't want to go off with a wrong 25 impression.

1	MS. KATO: I mean, petitioner has
2	represented that they will be they expect the
3	construction of 99 affordable units.
4	COMMISSIONER OHIGASHI: So the sum, that
5	time, at least 62, is that right?
6	MS. KATO: At least 62.
7	COMMISSIONER OHIGASHI: That they meet the
8	requirements.
9	MS. KATO: If the commission decides to
LO	put in this requirement, then, yes.
L1	COMMISSIONER OHIGASHI: Yes.
L2	MS. KATO: Assuming that the total number
L3	of residential units is 620.
L4	COMMISSIONER OHIGASHI: And that's your
L5	understanding. So if the order includes or the D&O
L 6	that puts it in specifically outlines that this is
L7	how much we expect to be done by that time, that
L 8	would be proper because there's basis, there's
L 9	evidence that that's on; is that right?
20	MS. KATO: I'm sorry. What's the
21	question?
22	COMMISSIONER OHIGASHI: If we put in the
23	order let's say we approved this and put it in
24	order, this means 62 units have to be built,
25	occupied in three years. Based on your comments and

```
your explanation about what the agreement says,
 1
   there's sufficient basis in evidence to back that
 3
   condition.
             MS. KATO: Based on 620 residential units,
 4
 5
   yes.
 6
             COMMISSIONER OHIGASHI: No.
                                           Based upon
 7
   what your testimony that you gave now, your
   representations, what you did now, what Mr. Yuen has
   indicated, that we put that condition in, that they
10
   have to meet that 62-unit threshold.
11
             If they have plans to build 199 --
   hopefully, they do, they build it -- but that has
12
13
   sufficient evidence to support the condition. Did
14
   you understand the question?
15
             MS. KATO: Assuming that their plans do
16
   not change.
17
             COMMISSIONER OHIGASHI: Assuming that -- I
   don't care what assuming their plans.
18
                                           In three
19
   years they're not going to build 520 or 510.
20
   They're only going -- according to their
21
   projections, they plan to build 49, I think.
22
             MR.
                  MEYER:
                           Yeah.
23
             COMMISSIONER OHIGASHI: So if this 49,
24
   does that mean that we're only going to have five,
25
   4.9?
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the same language that's in the LUC's D&O, so we 1 just tied it to that 10 percent that's in there. Ιn 3 case the plans do change, then that number would change. But you do not have to follow that. 5 **COMMISSIONER OHIGASHI:** If the plans do 6 change, they're going to have to appear, but the 7 question is in three years, where they're going to make only 49 units, according to their own testimony, how many years to satisfy the stipulation 10 so we don't find out with a big question on our --11 MS. KATO: I mean, back to --12 COMMISSIONER OHIGASHI: If I'm here three 13 years from now, I hope -- I probably not and I hope not -- but I want to get the record before this 14 15 statement to say if they're only 52 or not, how come they promised 99, 100; it's not done yet. We kick 16 17 them out. We say, hey, you guys didn't follow it. 18 So let's get a number so that we know that -- and 19 you said 52 would tie it in. Is that what you 20 agreed to? 21 The appropriate number under -MR. MEYER: 22 - if we build 520 market rate units, the appropriate 23

- if we build 520 market rate units, the appropriate number to make it 10 percent of the community would be 58 affordable units. That would be the math that would make it appropriate. That matches with that.

24

25



1	COMMISSIONER OHIGASHI: Is that your
2	MR. MEYER: If you guys want to add five
3	units to make up for if there's more density or
4	something, we're fine with that. We're fine with
5	putting 62 is a fine number.
6	COMMISSIONER OHIGASHI: But the idea, the
7	reason is not, no, I mean, I just want to know. I
8	just want to know what the guys agreed to.
9	MR. MEYER: You make a great point. I
10	think we're happy with 62, if you guys are.
11	MS. KATO: We're fine with that, if that's
12	what the LUC wants to do.
13	COMMISSIONER OHIGASHI: How about County?
14	MR. KERN: We have no objection.
15	COMMISSIONER OHIGASHI: Okay. So now we
16	know that it's 62.
17	The other question that I have for OPSD is
18	that you heard what I asked the County of Hawai'i
19	regarding the intent of the use of what is it
20	called the Phase 2 and the reason we have to
21	why we have conditional zoning in the future is
22	because we give them 10 years, and everything is
23	fresh, and everything is fine.
24	Here we have a situation that is 40 or 50
25	years. What is our limit? What do we as a

```
policy, what does Office of Planning think about
   whether or not we should grant this kind of --
 3
             MS. KATO: Well, given that this is a
   policy rather than a legal question, I think my
 5
   client should answer. Katia Balassiano?
 6
             MS. BALASSIANO: Hi.
 7
             VICE-CHAIR CABRAL: Hi.
             MS. BALASSIANO: Katia Balassiano,
8
   administrator for the Office of Planning and
10
   Sustainable Development.
11
             VICE-CHAIR CABRAL: Let me go ahead and
12
   swear you in. Do you swear and affirm that the
13
   testimony that you're about to give is the truth?
14
             MS. BALASSIANO: Yes. It's the truth. I
1.5
   affirm that is the truth.
16
             VICE-CHAIR CABRAL: And your address?
17
             MS. BALASSIANO: My address is 235 South
   Beretania Street, Sixth Floor, Honolulu 96813.
18
19
             VICE-CHAIR CABRAL: Thank you very much.
20
   Go ahead.
21
             MS. BALASSIANO: The Office of Planning
   and Sustainable Development is committed to the
23 l
   production of additional housing, affordable
24
   housing, all kinds of housing, recognizing that we
25
   are in a housing crisis. So, like the County, we
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believe that it would be appropriate to move forward with this proposal.

They have come so far, and we understand that it's taken too long; however, it appears as if all of the pieces are now in place. The project has not changed significantly. It's still the production of residential units. The infrastructure is in place. There's an affordable housing component. So we are in support of this.

We understand that when they come back with their application for Phase 2, it'll be very similar in form to what you had originally received, so this time extension just gives them an extra amount of time to submit that application to you.

We don't believe that there's any need to shortcut any of the components that they would normally give to you, so I believe that with Phase 2, they'll be putting together, you know, the necessary, you know, archaeological research, cultural research, review of topography, review of drainage.

They'll be putting all of that together as a package for the LUC to review at that point in time before you decide whether they may actually move ahead with Phase 2 or not. That is my

1 impression.
2 c

COMMISSIONER OHIGASHI: I'm not sure if that's your -- that may be your impression, but I'm not sure if that's a line, from what I can tell, that we've given already approval of it, and all they have to meet is these certain criteria, and then we have automatically -- it's automatically granted to them, and then they go down to County to get whatever permits they need.

MS. BALASSIANO: I don't --

commissioner ohigashi: So that's what my
impression is, and that's what I got from
petitioner's attorney, who is a little bit older
than me is my understanding.

But that's my understanding, so once this happens, and these benchmarks are met, we have no say. That's what I understand.

MS. KATO: So if I could respond to that, I don't necessarily agree with that. I mean, I think it's in the LUC's rules, too, that you should consider a number of things such as, you know, new additional impacts or changes in law.

Sorry, I'm trying to find it. It's HAR 15-15-78 that discusses incremental districting.

COMMISSIONER OHIGASHI: Would you agree to

write a memorandum on that issue? 1 MS. KATO: 2 I could. I'm not sure how long 3 that would -- going to take some time. 4 COMMISSIONER OHIGASHI: You know, I'm not 5 here to -- you know, I really have no interest in it, but it would be good guidance for the future, as 7 well as good guidance for the commission today, to know what we're doing. 8 9 If we're saying that the ministerial 10 position, these benchmarks are met, we have no further say in this matter, then we can vote 11 12 accordingly. And we know that. 13 If you're saying, no, no, no, no, you're 14 going to have consider all of these other issues at 15 that time, then --16 MS. KATO: I mean eventually --17 COMMISSIONER OHIGASHI: Then we should be 18 able to vote on that and with that knowledge. So 19 I'm asking is OPSD going to provide us some legal 20 memorandum to support their position that this, 21 we're going to have to do all of that? 22 MS. KATO: I mean, this response is just 23 off the top of my head, just scanning it. I have 24 not looked at this extensively at all. 25 COMMISSIONER OHIGASHI: But this is a

```
statement that your client made, and this is what
 1
   you indicated you supported. I just want to know if
   it's -- even if it's on the top of your head. And
   shouldn't you research it, have it researched, and
 5
   have it done so that we know how we're going to --
 6
   where we're going to vote on this?
 7
             MS. BALASSIANO: Our recommendation to you
   is that, in addition to that stipulation, that the
8
   applicant comply with all regulations and rules at
10
   the time that they come in for the redistricting of
11
   Phase 2. So that is what we had put into our
12
   testimony.
13
             COMMISSIONER OHIGASHI: What does that
14
   mean?
15
             MS. BALASSIANO: So just that the County
16
   had --
17
             COMMISSIONER OHIGASHI: Does it mean that
18
19
             MS. BALASSIANO: Just as the County had
20
   indicated, when the applicant comes in for
21
   additional subdivisions, they're going to have to
22
   comply with all of the grading, subdivision
23
   regulations --
24
             COMMISSIONER OHIGASHI:
                                     No, no.
25
   saying that -- what does that mean? If they come in
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ten years from now, do they have to comply with LUC
 1
 2
   requirements at that time? Yes?
 3
             MS. BALASSIANO:
                             Yes.
 4
             COMMISSIONER OHIGASHI: Okay. That's a
   completely different answer than Mr. Yuen has given.
 5
   Mr. Yuen has indicated that it is -- you don't have
 7
   to do.
                              They have always complied
 8
             MS. BALASSIANO:
   with the regulations of the LUC.
10
             COMMISSIONER OHIGASHI: But the
   regulations of the LUC require them to file -- for
11
12
   us to do a Ka Pa'akai analysis, and we're going to
13
   do that on -- on --
             MS. BALASSIANO: Phase 2.
14
15
             COMMISSIONER OHIGASHI: -- on Phase 2. Is
16
   that what you were saying that we're going to do?
17
             MS. BALASSIANO:
                               Yes.
18
             COMMISSIONER OHIGASHI: Do you have law
19
   that backs that up?
             MS. BALASSIANO: The way that I read it,
20
   that is the law.
21
22
             COMMISSIONER OHIGASHI: That's not what --
23
   I don't believe that the petitioner believes that.
24
             Do you believe that, Mr. Petitioner?
25
                              I think the commission in
             MR. YUEN:
                        No.
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```
1983 determined that it was appropriate for the
 1
   entire petition area to be reclassified, but Phase 2
 3
   could be reclassified incrementally upon
   satisfactory completion of Phase 1.
 4
 5
             COMMISSIONER OHIGASHI: And that's not --
 6
   so they're saying they don't need a Ka Pa'akai
 7
   analysis.
                        So the purpose of moving it to
 8
             MR. YUEN:
 9
   the County is so that the County then is responsible
10
   for overseeing compliance with archaeological,
11
   environmental, all the various other approvals that
   are required to make the project a reality. But the
12
13
   statutory scheme from dating back to the 1960s, it's
   been the Land Use Commission makes the initial yes
14
15
   or no decision, and everything moved to the County.
16
             COMMISSIONER OHIGASHI: Obviously, we have
17
   two points of view. Okay.
18
             VICE-CHAIR CABRAL: Thank you for your
19
   stimulating questions, Commissioner Ohigashi.
20
             Okay. I think I look to Commissioner
21
           Are you looking to make a comment?
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             COMMISSIONER OKUDA: Thank you.
23
   Gary Okuda. So either of you can answer this
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   question. I just want to know what the position of
25
   the Office of Planning is, since you folks really
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are the state's planning watchdog in all of this; 1 2 okay? 3 You heard when I read from the Ka Pa'akai case what the Supreme Court said that as such, state 5 agencies such as the LUC may not act without 6 independently considering the effect of their 7 actions on Hawaiian traditions and practices. So first question is as that term "act", 8 9 a-c-t, is used in that sentence, are we taking an 10 action or acting, as that word is used in the Ka 11 Pa'akai case today? Is what we're being asked to do, 12 "to act"? 13 MS. KATO: I'm not sure that I know the 14 answer to that. COMMISSIONER OKUDA: I know. But what is 15 16 the Office of Planning's position on that? I mean, 17 when we as a government agency, think and act, which 18 affects, let's say, land use or a land use matter, 19 as what we're being requested to do here today, is 20 that an act or action as that term or word is used 21 in the Ka Pa'akai case by the Hawai'i Supreme Court? 22 MS. KATO: When you're saying that we need 23 to do a Ka Pa'akai analysis, what are you saying 24 that --

I'm just

COMMISSIONER OKUDA: No, no.

asking for whether or not the word "act", which is used in that sentence in the Ka Pa'akai case, does 3 that word "act", a-c- t, describe what we are being asked to do today -- in other words, to act or act 5 on something? 6 MS. KATO: I don't know the answer to 7 this. I have not researched this issue before. COMMISSIONER OKUDA: Based on your 8 experience as a lawyer, what does the word "act" 10 mean? 11 MS. KATO: Do you mean what does the word 12 mean generally? 13 COMMISSIONER OKUDA: Doesn't it mean --14 aren't we being asked to act, to do something? 15 Isn't that what the plain -- a rule of statutory 16 construction is you just use the plain meaning of 17 the word; right? I mean -- or are you saying what 18 we're being asked to do today is not really an 19 action? 20 MS. KATO: I mean, I think that has to be 21 really taken into context with the review of the 22 case under consideration. 23 COMMISSIONER OKUDA: Okay. Are you aware 24 of any legal authority that indicates what we are

being asked to do today is not an act as that word

is used in the sentence I read from the Ka Pa'akai 1 2 case? 3 MS. KATO: I'm not. 4 COMMISSIONER OKUDA: Okay. Is it the 5 Office of Planning's position that connection to a 6 sewer line, government sewer line or construction of 7 a government sewer line in the manner that has been described taking place with respect to this project, will never trigger or -- strike that. 10 Is it the Office of Planning's position that the connection to the sewer line in the manner 11 that has been described in this case is not a 12 13 trigger to Chapter 343? 14 MS. BALASSIANO: They satisfied 343. 15 COMMISSIONER OKUDA: That's not my 16 question. My question is whether or not a 17 connection -- let me finish. My question is whether 18 or not it's the Office of Planning's position that 19 the connection to a sewer line in the manner that 20 has been described in this case does not trigger 21 343? 22 And I'm asking that so that if some other 23 landowner or applicant comes before us, you know, 24 and they're faced with a different argument, we have

to be consistent about what position we take. So is

that the Office of Planning's position, that a 1 connection to a sewer line in the manner that has 3 been described in this case is not a 343 trigger? 4 MS. BALASSIANO: That would depend on 5 where the sewer line is being constructed and under 6 what circumstances. 7 COMMISSIONER OKUDA: I'm saying the exact 8 circumstances that have been described in this petition and this present matter. Is it the Office 10 of Planning's position that that type of facts did 11 not trigger 343? It's either yes, no, or I don't 12 know. 13 MS. KATO: We are not experts on, you 14 know, whether what triggers a Chapter 343, but, you 15 know, as Katia said, I think it does depend on 16 circumstances. In this case petitioner has 17 represented that the capacity with the sewer 18 connection was considered in the EA for the 19 affordable housing. 20 COMMISSIONER OKUDA: Okay. Well, that was 21 my question. It's just simply if you're saying 22 you're not experts in what triggers 343, then if 23 that's your response, then, you know, I'll take that 24 as your response. Is that your response, that

you're not experts as far as what triggers

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MS. KATO: Well, as discussed in our
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   letter, we did have concerns with the length of time
 3
   that this project has been ongoing and that we're
   concerned that another ten years are going to go by
 5
   and there will not be housing construction. But --
 6
             COMMISSIONER KAHELE: Yeah, but wasn't
 7
   that included in the petitioner's letter, that they
   were going to start construction once the wastewater
   line was in place in 2024? So this ten-year
10
   extension is not needed, actually.
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             MS. KATO: The ten-year extension is the
   ten years to substantially complete Phase 1.
12
13
             COMMISSIONER KAHELE: Right.
14
             MS. KATO:
                       So that would likely -- okay.
15
   So that's different from the wastewater and the
   affordable housing. Substantial completion of Phase
16
17
   1.
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             COMMISSIONER KAHELE: Oh, yes, it's here.
19
   I'm just looking at your response today was that the
20
   ten-year extension was not necessary.
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             MS. KATO: For -- I think the original D&O
22
   I originally interpreted differently. But I think
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   it's unclear, the way that it's worded.
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             COMMISSIONER KAHELE: Okay. I was just --
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             MS. KATO: With respect to what that
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substantial completion. And I still think it's
 1
   unclear what exactly is substantial completion,
 3
   because the LUC's current requirements these days
   are not written that way.
 5
             Like, now we have conditions that are more
 6
   clear, where it's, like, you must complete this
 7
   backbone infrastructure within ten years, and it has
   a description of what that includes.
 8
 9
             Here it just says onsite or offsite --
10
   onsite and offsite improvements, substantial
11
   completion of that.
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             COMMISSIONER KAHELE: Well, I'm sorry,
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   but, you know, I'm looking at your recommendation,
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   and now I'm convinced that, you know, maybe we
15
   shouldn't give them the ten-year extension complete,
16
   considering OPSD wrote that response letter saying
17
   that it wasn't needed.
18
             MS. KATO: I guess that is --
19
             COMMISSIONER KAHELE: Anyway, I just
   wanted to mention that. Thank you.
21
             VICE-CHAIR CABRAL: Okay, commissioners,
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   any more comments or questions here to Office of
23
   Planning and Sustainable Development?
24
             Okay. I think we've worked our way to
25
   another break time. Okay. Thank you very much.
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We're going to take ten minutes, so we'll go ahead
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   at quarter to three; okay? Come back. Thank you.
 3
              (Recess taken at 2:33 - 2:44 p.m.)
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             VICE-CHAIR CABRAL: Okay. We're calling
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   the meeting back to order at 2:44, a minute early.
 6
   Okay. At this point do we have any further
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   discussion, commissioners? Okay, commissioners.
             The chair at this point would like to
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 9
   entertain a motion regarding how the commission
   should proceed in this matter.
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             Commissioner Okuda?
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             COMMISSIONER OKUDA: Madam Chair, I wish
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   to respectfully make a motion to deny the petition
   request, and I'll state my reasons afterwards, if
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15
   there is a second to my motion.
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             VICE-CHAIR CABRAL: Commissioners, is
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   there a second for at least discussion purposes for
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   Commissioner Okuda's motion to deny?
             COMMISSIONER KAHELE: Mel Kahele.
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20
             VICE-CHAIR CABRAL: Mel Kahele.
21
   Commissioner Kahele seconded that motion. Thank
22
   you.
23
                        Is there an opportunity to give
             MR. YUEN:
   rebuttal after the other side finished?
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25
             VICE-CHAIR CABRAL: I had asked on that.
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They had no witnesses, but --
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 2
             MR. YUEN: Okay. Or at least an
 3
   opportunity to make a final argument?
 4
             COMMISSIONER OKUDA: Yeah. I would --
 5
   yeah, I think Mr. Yuen is correct.
 6
             VICE-CHAIR CABRAL: Okay.
 7
             COMMISSIONER OKUDA: I'll withdraw my
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   motion.
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             VICE-CHAIR CABRAL: Okay. The motion's
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   withdrawn. Is there a second? Will the seconder of
11
   that motion withdraw?
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             COMMISSIONER KAHELE: Okay.
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             VICE-CHAIR CABRAL: Okay. Petitioner
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   Yuen, go ahead and make your comments.
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             MR. YUEN: Thank you, Madam Chair. I
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   think if you had asked me 40 years ago if I were
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   going to be sitting in this chair on the other side
18
   of the room 40 years in the future coming back for
19
   an extension of time to make substantial completion
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   on the project, I would have been the last one to
21
   tell you, yeah, you're crazy. But anyway, here we
22
   are.
23
             And I think it's important to keep in mind
24
   exactly what the commission did 40 years ago and
25
   what is incumbent on the commission today. Forty
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years ago the commission ruled -- or decided that a boundary change for the entire project was appropriate, with the Phase 2 being approved on an incremental basis upon substantial completion of Phase 1.

What the petitioner is asking for in this case is the opportunity to make substantial completion of Phase 1. And for a number of factors, petitioner and its successors have spent significant amounts of money constructing most of the infrastructure, including the road that runs from the Mauna Loa Highway down to Queen Kaahumanu, water infrastructure, and has embarked on construction of the last phase of infrastructure, which is the sewer project.

The petitioner has donated land to the Hawai'i Island Community Development Corporation that has broken ground on a 100-unit affordable housing project, and in addition to donating the land, has provided the water and the sewer hookups for that project so that all the HICDC is doing is constructing, making the site improvements, and constructing the housing units.

Following the completion of the sewer line, the petitioner intends to start developing the

housing, the market rate housing project, and intends to complete construction of that project within ten years.

The petitioner has completed archaeological surveys of Phase 1 of the petition area. And the petitioner, in applying for grading permits for the remainder of the project other than the first two increments, is going to have to satisfy the State Historic Preservation Division that the archaeological inventory surveys, the burial treatment plans, and the recovery plans are adequate, or SHPD will require restudies or additional studies.

The County of Hawai'i has determined that construction of the sewer line and the affordable housing project triggered the requirement that an environmental assessment be done, and an environmental assessment of both the affordable housing project and the wastewater treatment line were completed in 2019.

The master plan was submitted to the commission as part of the 2018 annual report, and I think the only question in the commissioners' minds is whether the commission has to make a Ka Pa'akai determination on reclassification.

commissioners have comment at this time? Are we

1 headed to deliberation? Okay.

Oh, I'm sorry. I am sorry. We have a slot here for additional public testimony, which could include those who have previously spoken. You have a right to speak again for three minutes.

And would you like to speak again? Okay.

This is Kimberly Crawford, and I will remind you you still are under oath. Go ahead. Proceed.

MS. CRAWFORD: Aloha, chair, commissioners. You know, I do agree that we need housing for people and our community. We live in a multi-generational home. My parents, my grandma, and my kids, we all live together.

But just as much as we need housing, we need food for our people, so we need Ag land in Kona just as much as we need urban designation. And again, when we preserve land in Ag, the amount of water, the amount of recharge, the amount of benefit to the coastal ecosystem is really amplified. And so we're not only going to be feeding our people from the actual Ag land, but we'll be able to feed our people from our local i'a, our fishpond, and from our coastal resources.

So I just wanted to kind of add that in today, that although we do need housing for our

people, a hundred affordable housing units is barely putting a dent in this, and housing and market rate isn't affordable to even the people who are living here with good-paying jobs. Like, let's be real. And so are we really doing a service to 5 6 our community by pushing forward this Phase 2? Or 7 could we do better planning in 2023 than we did in 1983 and work together and consult our community and consult our traditional practitioners and consult 10 the people that are actually the beneficiaries of 11 this aina, of this water, of this land, of this place rather than just doing what we got to do 12 13 because it's already been pushed through so far? 14 So I just wanted to add that in today. 15 Mahalo for you guys' time. Thank you. 16 VICE-CHAIR CABRAL: Thank you, Ms. 17 Crawford. 18 All right. And Ruth Aloua? Go ahead. 19 And you have been sworn in already. Thank you. 20 MS. ALOUA: Okay. Thanks so much. 21 You know, we had a gathering at the 22 fishpond a couple months ago with some Waimanalo 23 practitioners, and in a sharing circle, you know, 24 someone said something that stuck out to me. And I

said, you know, us guys, we're so hard on ourselves.

We nickel and dime us for everything we do, and we're trying to help our community, and we know that we're not doing our best, but it's all that we can give.

But then, you know, you have people that come here. They'll do the devil's deeds and never question it. They'll never look back. So, you know, when I think about this project, what we're asking for is we're asking for more. You know, as a people that are already doing everything we can in the communities to make this a better place for the Kona community, we have to look at it.

Is it the best thing for Kona community right now? Do we need market homes that are going to be in a gated community? Who in this room can buy a house for a million dollars? That's the market. That's what we're looking at.

We're saying here from our own county representatives, we have affordable housing. We have our kids living in cars in the K-Mart parking lot. We have families living in cars going to work, hoping they come home, and all their mea is still inside their cars parked on the side of the road.

This project, it has to be looked at. It has to be reconsidered. We cannot continue to just

expand, expand and grow without proper 1 2 infrastructure. At the Kona airport it's, what, two 3 million visitors a year are coming through. Approximately 150,000, 160,000 fly in per month to 5 That's on top of the current population 6 that's already here, not even considering the 7 flights that are coming in from Hilo. We cannot take any more development 8 without proper infrastructure improvements. Our 10 kids cannot even go doctor because no more doctor. 11 There's no opening for appointments. You miss a 12 specialist, you wait an entire year. We have kupuna 13 that are waiting in the hospital because there's no 14 place else for them to go. We don't have the infrastructure for our 15 16 families that are here, and yet we're going to say 17 we need this development. We need to be clear. This is a luxury resort development that is not for 18 19 typical homeowners or current residents of Kona or 20 of Hawai'i. We need to be really clear, and I think 21 that that's really important for the record for 22 future generations. 23 And we also need to be thinking about all of the families that actually -- because this 24

affordable housing development, was it followed

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through on? 1983, 1993, 2003, 2013, 2023. How many
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   of our families could have had these homes? We're
 3
   not even -- we haven't even talked about the people
   that are being targeted, you know, and they also
 5
   deserve a place in these discussions.
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             VICE-CHAIR CABRAL: I ask you to
 7
   summarize, please.
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             MS. ALOUA: I just want to say thank you
   for you folks' time. I know it's volunteer, and
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   I've appreciated the conversations and, you know.
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   And I just hope for more from our county
   representatives to really think of the diversity of
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13
   individuals that live here.
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             VICE-CHAIR CABRAL: Okay. Hold on in case
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   there's any questions.
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             Commissioner Ohigashi has a question.
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             COMMISSIONER OHIGASHI: So, Ruth, it
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   sounds like some of your statements seem to say
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   that, yes, we do need more housing. We need it for
20
   our people. Is that right?
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             MS. ALOUA: Yes.
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             COMMISSIONER OHIGASHI: Yeah.
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   you represent a group besides the fishpond?
24
   there a native people that you're going to talk to?
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             MS. ALOUA:
                         I don't formally represent any
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1 group. No.

COMMISSIONER OHIGASHI: In any event, if there was more time, just to explain, my understanding of the procedure today is that they're asking — they have the right to build that area. Phase 1 we call it. And they're doing that. They're building it. They're making houses and things like that.

This is a question about Phase 2, which is another part. It's a second part. So that's the question today. And your comments is not necessarily going to affect Phase 1, since that's nothing we can do about, but it maybe affect Phase 2; okay?

Do you think that a community outreach to make some kind of understanding between you and the developer, or people in your community and the developer, to sit down and figure out whether or not they have a good heart and they're willing to see what kind of development goes on Phase 2? Would that assist you in that?

Because if the petitioner or the developer is willing to sit down with you, we can continue this discussion and see if the community can come up with something that works, that the county

officials, County of Hawai'i officials seem to want, 1 that takes into account on Phase 2 what happens to 3 the fishpond, how it can be protected, what housing can be made available to local residents, what 5 assurances can be happening? 6 And if not, we can come back and pick up 7 the final issue. Is that something you think that would be helpful to you? 8 9 MS. ALOUA: I cannot speak for Kona, but I 10 do think that it would be worthy of investigation to 11 consult with the Kona community to see what are the housing options that are within the range of 12 13 affordability for the current residents. That's 14 probably what I meant. 15 But I would say that I don't think that 16 the Ka Pa'akai analysis should be shelved. 17 things are also equally important. 18 COMMISSIONER OHIGASHI: Is that something 19 you think that you and your colleague can 20 collaborate and try and see whether or not that kind

of dialogue can take place?

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Because I'm kind of struck by the County of Hawai'i's position, that they want to see a way forward. And a lot of our discussion has to do with procedures and trust and all kinds of things.

we are not a party of the community that can really 1 We have only one decision to make, yes or 2 3 no. 4 But do you think that that can happen? Or 5 that cannot happen? 6 MS. ALOUA: You know, I'm not in charge. 7 COMMISSIONER OHIGASHI: I understand. MS. ALOUA: I think it really depends on 8 the developer. And I don't think that it's fair to 10 pass the burden onto the community members. These 11 are initiatives that could be initiated by the 12 developer. 13 COMMISSIONER OHIGASHI: I'm not saying that you are going to have to do it. I'm just 14 15 saying that is that something, you think, that if we 16 give time, that you and your friends taking the time 17 to testify today can help facilitate, at least? 18 MS. ALOUA: I think it would be worthy of 19 investigation, to delay the decision making, to see 20 what alternatives are available for the current needs of Kona's existing community and the housing 21 22 I think that's a good start. options. 23 I've learned it's always good to do your 24 homework before you go and talk to the kupuna and

the families. So you want to do your groundwork.

They probably have the data and stats available. 1 2 That's step one. 3 Step two is talk to the community, you know, bring them into the process, show them the 5 numbers. So I definitely think it's worthy of 6 investigation. But with saying that, I do believe 7 that the Ka Pa'akai analysis is still important in addition to the environmental impact statement, and a greater environmental study. 10 11 12

You know, as much as we need housing, we need to make sure that the environment can withstand it, that we -- you know, the water that we're going to take, is it going to harm the ecosystem?

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COMMISSIONER OHIGASHI: And I understand your position, and I'm not trying to -- I'm just trying to figure out if there is a reasonable way of working out those issues so that we don't necessarily have to say yes or no today. We can say, hey, developer, you should go out and try using the county's great abilities to try and figure, to get the people involved, and to solve this problem for us. And they come up with their own, and who knows what they come up with to satisfy our concerns?

> MS. ALOUA: I would love that. I would



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love to see alternatives.
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             COMMISSIONER OHIGASHI: Just a thought.
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             MS. ALOUA: All I'm saying is that the
   current community, yeah, let's see them. Let's
 5
   bring them to the table, because we only had one,
 6
   and that one isn't working.
 7
             COMMISSIONER OHIGASHI: Okay. Thank you.
             VICE-CHAIR CABRAL: Okay. Anyone else?
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 9
             Thank you very much, then.
10
             Anyone else in the public wishing to --?
   Okay. Coming up to provide public testimony is Tom
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12
   Yeh. Do I need to swear him in? He's an attorney.
13
   Okay. I'm going to do it just to be safe. I keep
14
   making mistakes.
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             MR. YEH: You can swear in an attorney. I
16
   don't know.
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             VICE-CHAIR CABRAL: Okay. Do you swear
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   and affirm that the testimony you will give is the
19
   truth?
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             MR. YEH: I certainly do. Thank you.
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             VICE-CHAIR CABRAL: Thank you.
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             MR. YEH: And Madam Chair, members of the
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   commission, you know, I've -- I'm not sitting at the
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   table as Mr. Yuen has. I've worked with the
   petitioner RCFC for about, gee, eight years now,
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when they first inherited the property after having taken it back from the prior petitioner, who was not able to carry his project through.

And I've lived with and visited with them through all the steps and the efforts that they've made to comply with the requirements, that they substantially complied with completing offsite improvements first, with the water well, the water reservoir that was completed, the water lines and laterals that were dedicated, the sewer line now.

And understand that when we talk about

Phase 1, Phase 1 has only been approved by this

commission. The redistricting is there in reliance

on that. In reliance on the Decision & Order, a

100-unit affordable housing unit is now going up and

is going to be completed next year. A hundred units

for Phase 1, which is only 520 units?

All the reliance, all the money that's been spent for the sewer line, the affordable housing, the land donation has been geared not only to Phase 1, but to Phase 2. That sewer line has capacity not only for the affordable housing project, for Phase 1, but communities downstream. It's not just this project that that sewer line is serving.

When I listen to the issue of Ka Pa'akai, we know that as the petitioner develops Phase 1 lands moving forward from the first two phases that were described, they have to comply with Ka Pa'akai. They have to comply with SHPD.

So what are we really talking about?

We're talking about an extension of time for Phase 2 to allow them ten more years. They weren't responsible for the last 40 years. They've now taken this project and brought it to the point where they can develop Phase 1 to get to Phase 2. They spent a lot of money in reliance on that.

When we talk about Ka Pa'akai moving forward for Phase 2, increment 2, south of Hina Lani, what are they going to have to do? They had to come to this commission and say we want incremental districting, because we've done the substantial compliance with Phase 1, and in order to do that, what do we need to show you?

You can say make sure you comply with the conditions of Ka Pa'akai for Phase 2. Comply with all those rules and regulations that they're going to have to comply with either from a state or county level. You have that authority.

So when I hear, at least initially, this

petition of this motion to deny, given the context 1 of the history and the circumstances that we bring 3 ourselves here today, it really troubles me that all this money has been spent to get to this point where 5 the county and the state are saying let's do this. All this infrastructure is in to take care of Phase 7 2, not just Phase 1, but Phase 2 and communities elsewhere. Water reservoirs, two million gallons. Is that just this project? No. 10 So just consider that that's the background and the circumstances under which you're 11

So just consider that that's the background and the circumstances under which you're being asked to give a decision to say ten more years. Is that reasonable? We know how long it's taken just to get to this point from 2013. We all know development takes time.

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The affordable housing project itself, 100 units. How long has that taken to get sewer, development permits, funding? Now we're talking about this Phase 1 and what needs to be done there. And when we get to that Phase 2, we're going to have more housing. We're going to have more affordable housing.

So please, just consider and look at the circumstances. If you want to condition incremental districting of this ten-year period on compliance

MR. YEH: 1 Sure. 2 COMMISSIONER OKUDA: If you're saying a Ka 3 Pa'akai analysis is going to have to be done at some point in time, why not just do it now and get the 5 ball rolling now? I mean, what is the harm, really, 6 of just doing the Ka Pa'akai analysis now? 7 MR. YEH: Are we talking Phase 1 or Phase 2? 8 9 COMMISSIONER OKUDA: No. Because if I'm 10 correct -- and a lot of times I'm not correct, but 11 if the plain language of the Ka Pa'akai case really says what I said, which is before the Land Use 12 13 Commission can act, it has to consider these Ka 14 Pa'akai issues; okay? 15 MR.YEH: True. 16 COMMISSIONER OKUDA: And just erring on 17 the side of caution here, okay -- and let me just 18 actually jump ahead. 19 MR. YEH: Sure. 20 COMMISSIONER OKUDA: Even if a Ka Pa'akai 21 analysis has to be done because there is some 22 substantial commencement of use of the land -- we're 23 not talking substantial completion, but substantial

commencement as that term is used in the Bridge Aina

Lea case -- there's frankly nothing the Land Use

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Commission could do even if the commission wanted to stop this development.

And I don't think you've heard anywhere here anyone say that the commission is opposed to housing or we think this developer is bad or anything like that.

So what the reality is, and that's why I have to question, what is the practical effect by just making sure these last couple boxes are checked off so that there is not something that happens like the Superferry case later on, where somebody pops out of the woodwork and just grenades this thing?

MR. YEH: The Ka Pa'akai decision said you make that decision, you act in the context of that background information, right, with respect to this property. And we know, at least from what I've seen, we went through this whole public trail when we went to DLNR and got approval for the trail process.

The developer at that time had already worked with the community in respecting some of those issues. So the context is that work has already been done. And I'm talking about Phase 1.

I'm not saying it has been done for Phase 2; right?

COMMISSIONER OKUDA: Yeah.

Hawaii State Land Meeting April 12, 2023 NDT Assgn # 64866 MR. YEH: 1 And it's pretty clear to me that when they come in for incremental districting for 3 Phase 2, they're going to want to have made that analysis. That's what I'm talking about. 5 think there's got to be a distinction. Phase 1 6 redistricting already done. All those approvals are 7 there. Those rights are vested.

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COMMISSIONER OKUDA: Yeah. Mr. Yeh, just because I know the afternoon's getting long, my only question is this. If -- and I take your word for it, you know, based on your personal knowledge all this work has done, so just compile it in a cultural impact analysis. I mean, if the work has been done, I'm not just saying repackage it, but put it in a form so that we don't have an issue regarding Ka Pa'akai going forward.

The other thing is if there's any question here whether or not the use of that sewer line for the broader development triggers 343, why not just simultaneously with this development going forward get that done? There's nothing on the table here, and I'm not even -- I don't believe the Land Use Commission has the authority under Bridge Aina Lea to seek injunctive action to stop the development.

All I'm saying is this development can

continue on as long as the county is satisfied. 1 Everything can continue on. Just get these other 3 things done so that, you know, we don't have these Supreme Court cases staring us in the face. 5 there a practical problem with doing it, based on 6 years of experience in the land use area? Do you 7 see a practical problem? MR. YEH: Well, that's a really good 8 9 question, because this whole analysis -- and that's 10 why I was asking, are we talking about Phase 1 or 11 are we talking about Phase 2? 12 COMMISSIONER OKUDA: I'm just saying just 13 do the analysis in whatever way the applicant believes that it satisfies Ka Pa'akai. 14 15 MR. YEH: To the extent that the applicant 16 is required to follow Ka Pa'akai in either Phase 1 17 or Phase 2, and I'm saying to the extent that the law requires it, it will follow it and has followed 18 19 it. 20 COMMISSIONER OKUDA: Okay. I understand. 21 Thank you. No, I understand. Thank you. 22 MR. YEH: Yeah. Thank you. 23 VICE-CHAIR CABRAL: Any questions of Mr. 24 Yeh from any other commissioners? 25 Thank you very much.

MR. YEH: Thank you, chair.

VICE-CHAIR CABRAL: Okay. Any other one from the public testimony who would like to speak up at this time? Okay. No. And no one else has come forward on Zoom or anything. Okay. Thank you very much.

Commissioners, we are back to you. Any other final comments or questions at this time before we go into --

Yes. Okay. Commissioner Ohigashi?

commissioner OHIGASHI: You've heard my
concern. Is it your pleasure to go forward or to try
to reach an accommodation with everybody?

MR. YUEN: Well, I've indicated that the petitioner is willing to do a Ka Pa'akai analysis, and that would require some form of consultation with the community.

COMMISSIONER OHIGASHI: And wouldn't that include assistance from the county to formulate that kind of consultation and try and reach an agreement regarding this motion? Because I know you can't withdraw the motion, technically, but you can resolve it by having an agreement that everybody supports.

MR. YUEN: Well, I think the county and

the state already support the motion with the 1 condition that the offsite infrastructure, and I 3 think we're up to 62 affordable housing units, be completed within three years. The county and the 5 state have indicated their support for that. 6 **COMMISSIONER OHIGASHI:** So the answer is 7 we're not -- we're going to proceed today. MR. YUEN: Well, we'd like to proceed. 8 9 It's up to the commission. 10 COMMISSIONER OHIGASHI: I'm giving you an 11 opportunity to determine whether or not you want to 12 deal with the community on those issues that they 13 raised. MR. YUEN: Well, I've said that --14 15 **COMMISSIONER OHIGASHI:** They practically 16 raised here about the environmental studies, 17 thinking of whether or not a Ka Pa'akai analysis 18 should apply. And I'm giving you the opportunity to 19 do so, but if you don't want to, we're going to have 20 make a decision here on this. 21 MR. YUEN: Well, the petitioner is willing 22 to do a Ka Pa'akai analysis as part of its work that 23 would be completed within the -- we could add that 24 as another condition for within the three-year

period, because that analysis is not something

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that's done overnight. But I think the --
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             COMMISSIONER OKUDA: Point, Madam Chair.
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             VICE-CHAIR CABRAL: Yes. Commissioner
   Okuda?
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             COMMISSIONER OKUDA: Could I ask the
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   executive officer a question? Do we have the
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   authority to continue this matter for a time, or
   must we move on this matter today?
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             MR. ORODENKER: As this is a motion,
   Commissioner Okuda, we can defer decision making on
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   this matter for as long as --
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             COMMISSIONER OKUDA: I'd like to make a
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   motion.
             VICE-CHAIR CABRAL: Okay. Commissioner
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15
   Okuda?
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             COMMISSIONER OKUDA: I'd like to make a
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   motion that this matter be deferred until a date
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   that Mr. Yuen selects that he wants it back on the
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   calendar. Okay. If Mr. Yuen decides that -- and I
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   ask everybody, including myself, to rethink all of
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   this. And I am rethinking it. I've listened to what
   everyone said. And that's why I'm not making the
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   motion now to deny the request.
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             So this will -- there's a lot of things to
   digest here. I appreciate the testimony, Mr. Yuen,
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make a decision after considering a lot of these things a little bit more. So that's my motion.

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VICE-CHAIR CABRAL: We have a motion made by Commissioner Okuda, seconded by Commissioner Ohigashi. Any discussion by the commissioners?

COMMISSIONER OKUDA: Yes. And if I could further add to, Madam Chair, my reasons. At least in this point in time, I find Mr. Yuen's witnesses credible. I think they're -- at this point in time, unless there's new evidence presented, I would find that they're acting in good faith.

I do disagree that there's no need for an environmental impact analysis on there. I believe Chapter 343 has been triggered, and I believe that on its face, the Ka Pa'akai case analysis has not been complied with. You know, but I can stand with further information to be convinced otherwise.

But I believe that -- I don't believe that denying the request creates any real practical issues immediately, but if Mr. Yuen and the owners believe otherwise, well, I'd be willing to defer to their belief, and that's why I think time would be helpful.

And we've seen other cases, for example, the project below the Kaanapali airport, where everybody was opposed to the project, and after some time passed and consultation was with the community, all 50 people who were in the room opposing the project appeared in support of the project.

So I'm not saying it's going to happen here or it's even necessary here, but I just think a little bit of time to consider whether or not a few other things should be taking place would be beneficial to the long-term stability so that once any further approvals are given, it's ironclad and it can't be overturned in court.

I do have a concern, as I raised earlier, 1 that when you look at those Hawai'i Supreme Court 3 cases, it raises a real risk of reversal. you. 4 5 VICE-CHAIR CABRAL: Okay. Other 6 commissioners, comments on this motion before us? 7 Commissioner 'Ohelo? 8 COMMISSIONER KAMAKEA-'OHELO: Mahalo. just took a moment, kind of took a moment, yeah, to 10 really consider what the decision that the LUC made 11 in 1983. Yeah. I mean, 40 years is a very long time. Quite frankly, you know, the petition in 12 13 front of us today is for a time extension for Phase 14 2. 15 And to the best of my understanding, the 16 Ka Pa'akai analysis takes into account what happens 17 directly makai and mauka of you as well as 18 indirectly, five miles down the coastline. 19 don't believe deferring the issue and pushing it 20 down the line will allow us today or me as a 21 commissioner to fulfill my kuleana to uphold the 22 constitution and the decision by the Supreme Court to ensure that every act in this capacity as a 23 24 commission takes into account the Ka Pa'akai

25

analysis.

So with that being said, I will be voting 1 no on the motion. 2 3 VICE-CHAIR CABRAL: Thank you, Commissioner 'Ohelo. 4 Other commissioner comments? Commissioner 5 6 Ohigashi is going to have to leave in a few minutes 7 to catch his flight, so anyone else want to make a comment at this moment? We still will have a quorum 8 to make a vote, though. 10 Okay. Commissioner Yamane? 11 **COMMISSIONER YAMANE:** I've kind of gone 12 back and forth listening to everybody. I appreciate 13 the petitioner's statement. I do believe that you're going to get things done, but me, like 14 15 Commissioner 'Ohelo, looking back at the 1983 and 16 going through the history, it's just unfortunate. 17 You know, you've read the risk of what the 18 commission could do and has authority to do. I 19 actually am in a position to vote on the petition. 20 To defer, I think, I agree, I don't think would 21 accomplish anything. And I don't know if Mr. Yuen 22 practically would, I mean, offer any other 23 alternative. I haven't heard any yea or any, so 24 right now I'm not in a position to support the 25 motion to defer. Thank you.

COMMISSIONER ATTA: I'd like to vote for, you know, Ohigashi's motion, because I think a few months can make a difference. And as I am looking at the issue, there's still the Ka Pa'akai issue that's up to -- that we have to make a decision of some kind.

The first one was about the Ka Pa'akai analysis would have to -- we'd have to deal with that before we have to deal with this project.

The second was that there's a Phase 1 and a Phase 2 of the project that was also -- that the Ka Pa'akai -- as Phase 1 is far gone down the line, so that that's just more ministerial. But Phase 2 would require that thing. So we have to decide how we're going to deal with that, the thing.

So I'd like to have, you know, some time and some months to think about this, because I think we have to discuss those things before we can as a commission make a decision one way or the other. I think I would say, you know, I don't know how long you may take for a thing, but I think we can.

So I'm not sure exactly what motion we're, you know, about right now.

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VICE-CHAIR CABRAL: The motion on the
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   floor would be to defer it at this time until Mr.
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   Yuen is ready to put it back onto the calendar.
   That's my understanding of the motion on the floor.
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             Okay. Commissioner Kahele?
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             COMMISSIONER KAHELE: Thank you, chair.
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   You know, I got to agree with Mr. 'Ohelo. My vote
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   is no.
             VICE-CHAIR CABRAL: Okay. Let's go ahead,
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   and we'll call for the vote at this time. Yes.
                                                     Mr.
   Orodenker gets the mic. Thank you.
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             MR. ORODENKER:
                              Thank you, Madam Chair.
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   The motion is to continue this matter until a date
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   selected by Mr. Yuen for the petitioner.
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             Commissioner Okuda?
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             COMMISSIONER OKUDA: Yes.
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             MR. ORODENKER: Commissioner Ohigashi is
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   absent.
             Commissioner Kamakea-'Ohelo?
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             COMMISSIONER KAMAKEA-'OHELO: 'A'ole.
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             MR. ORODENKER: Commissioner Kahele?
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             COMMISSIONER KAHELE:
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             MR. ORODENKER: Commissioner Atta?
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             COMMISSIONER ATTA:
                                  Aye.
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             MR. ORODENKER:
                              Commissioner Yamane?
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1	COMMISSIONER YAMANE: No.
2	MR. ORODENKER: Chair Cabral?
3	VICE-CHAIR CABRAL: No.
4	MR. ORODENKER: Madam Chair, the motion
5	does not carry, with four no's and two yeses.
6	VICE-CHAIR CABRAL: Okay. Yes. That's
7	what I was going to ask. Anyone else like to make a
8	motion at this time?
9	COMMISSIONER OKUDA: Madam Chair?
10	VICE-CHAIR CABRAL: Yes.
11	COMMISSIONER OKUDA: Based on that, I move
12	that the petition, the request be denied.
13	VICE-CHAIR CABRAL: We have a motion to
14	deny the request, seconded by Commissioner 'Ohelo.
15	Any discussion on that motion and second to deny the
16	motion? Discussion?
17	COMMISSIONER OKUDA: Madam Chair, I've
18	already said the reasons why I don't believe we can
19	move forward today. First of all, we're not in
20	compliance with Ka Pa'akai plain language, which
21	I've read into the record. And secondly, I believe
22	343 HRS Chapter has been triggered, and there needs
23	to be compliance with that.
24	So for those reasons and other reasons in
25	the record, I ask that my motion be granted.

VICE-CHAIR CABRAL: Okay. Other comments? 1 Seconder, Commissioner 'Ohelo? 2 3 COMMISSIONER KAMAKEA-'OHELO: Mahalo nui... ah... He kuleana nui keia. 4 5 A ha'awi aku i na hana wae o keia aupuni nei. hana mea e... e kia... Na kia' aina, na lula 7 kia'aina O keia aupuni, o keia 'aina A me kela no ho'i malalo Na kuleana o ko kakou, Wae kupuna o kakou, o kakou i wae Me te... me keia 'aina. 10 (Hawai'ian language provided by the Land 11 Use Commission for inclusion in the transcript.) 12 I just wanted to say mahalo. I appreciate 13 the petitioner's due diligence and the very thorough testimonies from all of the witnesses. It's very 14 15 unfortunate that we are dealing with circumstances today, making decisions -- potentially making 16 17 decisions to extend a 40-year project into a 50-18 year. I invite the petitioners to come back. 19 And with that, my kuleana, my 20 responsibilities to uphold the constitution of the 21 state of Hawai'i and the decision by the Supreme 22 Court, that all of my actions and decisions are 23 based within the lens of the Ka Pa'akai analysis. 24 So with that, I appreciate the moment, the time to 25 share, Madam Chair.

Hawaii State Land Meeting April 12, 2023 NDT Assgn # 64866 Page 225 VICE-CHAIR CABRAL: 1 Thank you, Commissioner 'Ohelo. 2 3 Other commissioners, comments on the motion before us? Seeing none, I'd like to comment. 5 I tried to stay in the middle of this as chair. 6 That's my understanding also, that denying 7 it at this time does not mean that Phase 2 goes away or disappears. It just means that it would be probably in limbo until such time as Phase 1 10 continues to be developed, and then the petitioner would be able to come back to the commission with 11 12 another request to get Phase 2 activated. 13 And I would imagine that, hearing our concerns in that, and I think they're in the 14 15 concerns of the community, might help work through 16 what our concerns are collectively to make sure that 17 since Phase 1 is moving forward, which is, I think, 18 in many ways good, that we can all learn to be more 19 clear and exact on what the requirements are as we

That would be my comments on it, so okay.

Any other comments from commissioners? Okay. We'll look for the vote, then.

move forward and look to Phase 2 and to the future.

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MR. ORODENKER: Thank you, Madam Chair.

The motion is to deny the motion for time extension.



1	Commissioner Okuda?
2	COMMISSIONER OKUDA: Yes.
3	MR. ORODENKER: Commissioner Kamakea-
4	'Ohelo?
5	COMMISSIONER KAMAKEA-'OHELO: Aye.
6	MR. ORODENKER: Commissioner Kahele?
7	COMMISSIONER KAHELE: Aye.
8	MR. ORODENKER: Commissioner Atta?
9	COMMISSIONER ATTA: Aye.
LO	MR. ORODENKER: Commissioner Yamane?
L1	COMMISSIONER YAMANE: Aye.
L2	MR. ORODENKER: Commissioners Giovanni and
L3	Ohigashi are excused.
L 4	Chair Cabral?
L 5	VICE-CHAIR CABRAL: Aye.
L 6	MR. ORODENKER: Thank you, Madam Chair.
L7	The motion carries unanimously with six votes.
L 8	VICE-CHAIR CABRAL: Thank you. I'd like
L 9	to thank the commission and acknowledge that if
20	there's any other action or discussion to take place
21	here today at this time? Okay. Hearing none, I will
22	consider that our meeting is now adjourned.
23	Our next meeting will be at April 26th at
24	the Honolulu airport. And as that is a remote
25	location, we'd like to work through the lunch

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period, and I ask that the staff arrange for lunch
   to be provided by the commission to facilitate that
 3
   meeting.
              There's no other action. The meeting is
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 5
   concluded. Thank you very much.
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              (Meeting concluded at 3:36 p.m.)
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CERTIFICATE I, Davilyn Payne, do hereby certify that the proceeding named herein was professionally transcribed on the date set forth in the certificate herein; that I transcribed all testimony adduced and other oral proceedings had in the foregoing matter; and that the foregoing transcript pages constitute a full, true, and correct record of such testimony adduced and oral proceeding had and of the whole thereof. IN WITNESS HEREOF, I have hereunto set my hand this 27th day of April, 2023. avilyn Payne Davilyn Payne