

MICHAEL P. VICTORINO
Mayor

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

April 8, 2019

Ms. Michele M. Yoshimura *MJY*
Budget Director, County of Maui
200 South High Street
Wailuku, Hawaii 96793

APPROVED FOR TRANSMITTAL

Michael P Victorino 4/9/19

Mayor Date

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

For Transmittal to:

Honorable Keani Rawlins-Fernandez
Chair, Economic Development and Budget Committee
Maui County Council
200 South High Street
Wailuku, Hawaii 96793

Dear Chair Rawlins-Fernandez:

SUBJECT: FISCAL YEAR ("FY") 2020 BUDGET (PL-5) (EDB-1)

Thank you for your letter dated April 3, 2019 with various questions about the proposed FY20 budget for the Department of Planning (Department). In response to your questions, please consider the following:

1. a. The Pioneer Mill Office building is situated at 380 Lahainaluna Road, TMK 4-6-026:057. This is the same parcel that is occupied by the West Maui Senior Center, and is owned by the County. The building was constructed in 1911 and its age, historic and architectural significance, and condition warrant a preservation plan. The Lahaina Restoration Foundation (LRF) has expressed interest in undertaking this project. The proposed \$30,000 grant would go to LRF for this purpose.
- b. You are probably familiar with successful Hoaloha Aina – South Maui Volunteers program headed by Bob and Lis Richardson. This organization has implemented numerous

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public beach access, public shoreline amenity, and dune restoration and management projects throughout South Maui over more than a decade. It is our understanding that the Richardsons wish to retire, at least from full-time coordination of this organization, and that there is no likely volunteer successor. The proposed \$100,000 grant would go to an individual(s) or organization who can assume this leadership role and, over time, pursue other grants to obtain necessary funding.

c. Several County officials have participated in the State Transit Oriented Development (TOD) Council since its creation by the State Legislature. The TOD Council's primary focus was to identify State lands along the Oahu rail corridor that could be developed for mixed use and housing. For the neighbor islands, the focus shifted to other forms of transit, such as the Maui Bus. The proposed site on Kane Street for the new bus hub has been the focus of Maui TOD Council members; funds have been requested from the Legislature this session to plan for this site as well as to redevelop the transit corridor of Kaahumanu Avenue, from Kane Street to Wailuku Town. The proposed \$100,000 grant would be utilized to further this initiative.

2. The Planning Department does not collect building permit fees, so we cannot comment on how our costs to process building permits may be covered by these fees.
3. As you may know, we presented the Council with a proposed cost-recovery fee model in March 2012; discussions continued through 2012 and during the Council's deliberations of the FY14 budget. The Department advocated for the proposed five-year phase-in, but the model was ultimately rejected by the Council and the matter was filed. Other than modest fee increases, the overall fee schedule for the Department has not changed significantly in many years, since the last major changes were adopted in 2000.
4. In FY18 and FY19, we handled approximately 55 multi-application projects with 165 applications that used the 50 percent fee reduction. The majority of these applications (104 out of 165) were for Special Management Area assessments, Historic District assessments, Shoreline Setback approvals and Flood Development permits, which are handled administratively.
5. a. As you know, our requested FY20 budget includes \$910,000 for professional services. This is comprised of:
 - \$300,000 for the South Maui Community Plan update (see item 5b below for more detail);
 - \$100,000 for a South Maui Community Plan Urban Design and Physical Form Study (see item 5c below for more detail);
 - \$125,000 for a Maui Island Plan baseline monitoring report (see item 5c below for more detail);
 - \$100,000 for an update to the coastal viewplane study (see item 5c below for more detail);

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- \$100,000 to hire a consultant to develop a proposed streamlined permitting process for shoreline improvement and beach nourishment projects similar to the effort recently undertaken by the State;
- \$60,000 for the next phase of the update to the County's cultural resources management plan, to be entitled Historic Preservation Plan, (the first phase is nearing completion); and
- \$30,000 to continue web support for the successful www.wearemaui.org community planning website
- The balance of \$95,000 is used for various "small purchase" projects throughout the year or to make minor modifications to existing contracts

If all of these fund are not available, our prioritization would be as follows:

- \$400,000 total for the South Maui Community Plan update
- \$95,000 for various "small purchase" projects
- \$100,000 for the update to the coastal viewplane study
- \$100,000 for permit streamlining for shoreline improvement projects
- \$125,000 for the Maui Island Plan baseline monitoring report
- \$60,000 for the Historic Preservation Plan update
- \$30,000 for www.wearemaui.org web support

b. The requested \$300,000 for the South Maui Community Plan update would be used to contract for professional services to complete pre-planning analysis, identify key issues, prepare technical resource papers, prepare an initial draft and all revisions throughout the Community Plan Advisory Committee (CPAC) and Maui Planning Commission (MPC) review, prepare CPAC meeting summaries and produce materials, and work Long Range Division (LRD) and other staff to finalize the CPAC draft, MPC draft and submittal to the County Council. It is envisioned that LRD will be responsible for all community engagement, facilitating the CPAC meetings and attending MPC and County Council and committee meetings. A detailed breakdown is as follows:

1. Pre-planning analysis

- a. Update and supplement information and data on existing conditions and future development trends
- b. Identify priority issues
- c. Complete assessment of how the Maui Island Plan, Countywide Policy Plan and existing South Maui Community Plan address the issues above
- d. Prepare/update a socio-economic forecast
- e. Prepare a land use forecast

2. Issue Identification and Technical Resource Papers

- a. Identify key issues, opportunities and constraints for the community planning area

- b. Summarize findings in technical resource papers by topic (e.g. sea level rise impacts, infrastructure capacity, mobility, multi-modal and transportation issues)
- c. Technical resource papers (TRP) to include analysis of how MIP/CWPP/2.80B/existing CP address issues
- d. TRPs shall include references to ongoing and/or recently released studies on key issues
- e. TRPs shall include peer review and consultation with appropriate County departments

3. Conduct analysis of infrastructure existing and future capacity.

- a. Work in collaboration with County CIP Coordinator and examine six and twenty year CIP plans.

4. Draft Community Plan

- a. Draft based on results from pre-planning analysis, issue identification, and community engagement outcomes.
- b. Initial draft to be reviewed within the Planning Department; consultant to complete revisions
- c. Second draft to be reviewed by all County departments and relevant State agencies; consultant to complete revisions
- d. Third draft to be out for review by public and CPAC

5. CPAC meetings

- a. Produce meeting materials for CPAC meetings
- b. Complete CPAC meeting summaries; LRD to facilitate meetings and answer questions and address issues as they arise
- c. Arrange CPAC meeting logistics in collaboration with LRD

6. Maui Planning Commission Draft

- a. Work with LRD to complete draft revisions from CPAC process to create accurate CPAC draft to submit to the Maui Planning Commission

7. Maui County Council Draft

- a. Work with LRD to complete Commission revisions and create accurate Commission draft to submit to the Council

c. We have requested \$100,000 for a South Maui Urban Design and Physical Form Study as part of the South Maui Community Plan update process. Upon further consideration, however, it would be more beneficial for these funds to be joined with the \$300,000 described in item 5b above in order to have a more comprehensive and consistent work product. For your information, however, the original intent of this separate line item was to contract for a study to complete a macro-scale analysis of existing growth and development patterns that exist throughout South Maui. Specifics to be studied would include documenting “place types” and establishing a profile of the design character (or lack thereof) of existing town centers, neighborhood character and corridors within South Maui.

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The region's existing walkable and mixed-use centers would be identified and assessed, and include the existence of "five-minute walkable" neighborhoods as well as areas where these neighborhoods should exist. Again, though, this can be incorporated in the overall update process rather than as a separate study.

Subsection 2.80B.030(G)(5) requires that the Maui Island Plan (MIP) include milestones designed to measure progress in the implementation of the MIP's vision, principles, goals, and policies. Chapter 9 of the MIP relates to monitoring and evaluation; it states that the Department shall oversee the monitoring and evaluation program, will have a monitoring report prepared on the progress of plan implementation, and will provide a portrait of the quality of life on Maui. The MIP's progress will be measured by benchmarks and quality of life indicators: "The report will discuss the significance and findings of each indicator and will address emerging indicator trends to provide a snapshot of the quality of life on Maui." The proposed \$125,000 line item would be used to hire a consultant to formulate a methodology and prepare a first-time "baseline" report on these indicators. Annual updates could then be performed by Department staff.

A coastal view plane study for Maui island has not been performed for decades. The most recent comparable study is the 1990 Maui Coastal Scenic Resources Study which included viewplanes among other resources. The proposed \$100,000 line item would be used to hire a consultant to prepare a current shoreline viewplane study to equip the Department in its shoreline viewplane analysis, which is a component of Special Management Area permit review.

6. a. The proposed \$100,000 Shoreline Management grant is not for any specific location, though it seeks to continue the work conducted by the Hoaloha Aina volunteer group who generally focuses on south Maui. Potential sites would be this continuing work in and near County beach parks, plus other County parks, and any shoreline area where dunes are degraded or restoration is desired. Examples could include Kanaha, Baldwin Beach Park, and shoreline areas around Kapalua Bay.
 - b. You asked if the proposed \$100,000 Shoreline Management grant would replace the Hoaloha Aina or other volunteer programs; the answer is yes and no. As noted in our response to question 1b, the Richardsons have indicated their intent to retire; without their essentially full-time leadership, the future of the program is in question. The grant is intended to ensure that the program will continue by providing funding for leadership coordination that will hopefully include plans for long-term independent funding.
7. a. Only the Maui Meadows area of the Kihei-Makena Community Plan region has reached its cap of five Short-Term Rental Home (STRH) permits. No other region for Bed and Breakfast Home (B&B) or STRH permits has approached even 75 percent of their cap.

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Below is a table that provides the current status of the caps for the Hana, Kihei-Makena (KM), Makawao-Pukalani-Kula (MPK), Paia-Haiku (PH), Wailuku-Kahului (WK) and West Maui (WM) community plan regions. There are no B&B or STRH caps established for Lanai or Molokai.

CP region	B&B cap	# B&Bs	% of cap	STRH cap	#STRHs	% of cap
Hana	48	10	21%	30	21	70%
KM*	100	41	41%	100*	44	44%
MPK	40	16	40%	40	10	25%
PH	77	45	51%	88	45	51%
WK	26	10	28%	36	6	17%
WM	88	11	12%	88	58	66%

*There is a cap of five STRHs for KM, which has been met 100%

We will continue to accept applications until the cap is reached because some applications do not result in permit issuance. When we approach 90 percent of the cap, then we will inform new applicants that their applications may not result in a permit if the cap has been reached prior to their applications being finalized. If the cap is reached, any remaining applications are closed, and new applications are not accepted.

b. We are in active discussions with the Lanai Planning Commission about establishing a STRH cap for Lanai. If their direction is to establish a cap, then we will prepare a draft proposed bill for their review and recommendation, which will then be transmitted to the Council for consideration and final action. There is currently an item in the Planning and Sustainable Land Use Committee (PSLU-21) with proposed bills to establish STRH caps for Molokai. Other than these Lanai and Molokai initiatives, plus the pending PSLU-24 relating to B&Bs and STRHs in Paia-Haiku that your letter referenced, we are not proposing any other changes to or initiating discussion of the B&B and STRH caps in other regions.

We hope this information satisfactorily answers your questions. If you require additional information, please feel free to contact me.

Sincerely, .



MICHELE CHOUTEAU MCLEAN, AICP
Planning Director