

EXHIBIT "B"

MAKILA FARMS

MODIFICATIONS

1. The Makila Farms Project ("Project") approved by this resolution and the exemptions set forth in Exhibit "A" shall all lapse and become void if construction of the residential workforce housing units has not started within five years of the effective date of this resolution. Start of construction shall mean the visible start of grading, pursuant to a valid grading permit as needed for the development of the 76.1 acres containing the residential workforce housing units.
2. The Developer shall act in good faith and with its reasonable best efforts to complete construction of all residential workforce housing units on the 76.1 acres, with related roads and infrastructure, not later than 10 years from the effective date of this resolution.
3. The Developer shall develop all residential workforce housing units before or concurrently with the sale of the market-rate lots.
4. The distribution of the 19 residential workforce housing units shall be as follows:
 - (a) Six homes priced for households earning between 50 percent and 65 percent of the area median income.
 - (b) Seven homes priced for households earning between 66 percent and 85 percent of the area median income.
 - (c) Six homes priced for households earning between 86 percent and 100 percent of the area median income.
5. The Developer shall provide housing plans for the residential workforce housing units that are consistent with the AMI distribution.
6. The Developer shall develop a well for non-potable water for irrigation with a sufficient yield to meet the non-potable water demand of all units within the Project. The market-rate lots shall absorb the costs of the non-potable water initial distribution system. The County of Maui shall not grant final subdivision approval if, and as long as, the Developer is in breach of this modification.
7. The Developer must receive from a "will serve" letter from Launiupoko Water Company, and confirmation from the Department of Water Supply of a long-term reliable water supply for the entire Project.

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8. The source of potable and non-potable water for the Project shall not be the Kaua'ula Stream.
9. Potable water shall not be used in irrigation systems for any lot or portion of the Project.
10. The Developer shall record in the Bureau of Conveyances of the State of Hawaii restrictions permanently providing for the following:
 - a. The residential workforce housing units shall by deed restriction be owner occupied for a period of 30 years; provided however, that if no loans are approved due to the 30-year deed restriction, the Developer may request of the Council, via resolution, an adjustment of the deed restriction. The Developer shall not sell the workforce housing units at market rate.
 - b. An owner of a workforce unit that is being resold:
 - (1) must sell the unit to an income-qualified household in accordance with HRS 201H.
 - (2) may retain a maximum three percent appreciation per year.
 - c. Condominium conversion or further subdivision of any of the lots in the Project is prohibited.
 - d. The use or operation of any dwelling in the entire Project for transient or short term-rentals, including any rental for a term of less than 180 days, is prohibited.
11. The Project will utilize aerobic treatment units ("ATU") in its individual wastewater systems. On each lot, the Developer shall provide, at minimum, one ATU which can accommodate up to five bedrooms. All ATUs shall be maintained by the Project's Homeowners Association, and in accordance with Title 11, Chapter 62, Hawaii Administrative Rules.
12. All dwellings in the entire Project shall be limited to one story, with a maximum height of 25 feet.
13. The Developer shall provide a gravel walking path on the makai side of lots 1-12, consistent with an agricultural area, in lieu of the asphalt sidewalk proposed in the Project application.
14. The Project's internal roadways shall be constructed to the design standards set forth under Section 18.16.050, MCC.
15. The entire Project shall be developed in conformance with the Agricultural zoning District requirements set forth in Section 19.30A, MCC; provided however that those uses listed

under Section 19.30A.050(6) and (8), relating to minor utility and solar energy facilities, shall require special use permits, as set forth in 19.30A.060.

16. A halau resource cultivation area shall be created and maintained on lots 13-19, and an animal pasture on lots 1-12, as designated in the Project site plan.
17. The legal instrument establishing the Project's Homeowners Association ("HOA") shall require at least 50% of the board membership to be owners of the workforce housing units. It shall also provide that five percent of HOA dues be donated to Mauna Kahalawai Watershed Partnership, as long as it may exist, and then to an organization that provides substantially similar services.
18. The Department of Housing and Human Concerns shall oversee the wait-list and distribution of all residential workforce housing units via lottery. No residential workforce housing units shall be promised or pledged to any applicant prior to such lottery.
19. There shall be no restrictions placed on workforce unit homebuyers in their choice of lenders.
20. To the extent legally permissible, the residential workforce housing units shall be restricted to residents of Maui County, with preference given to residents employed in the greater Lahaina area, and (to be confirmed by corp counsel) to existing residents of the greater Lahaina area.
21. The Developer shall provide a homebuyer financial education program for residential workforce housing unit applicants, including an individual development account ("IDA") component.
22. The Project shall comply will all applicable requirements of Chapter 2.96, MCC, and Chapter 201H, HRS.
23. The Project shall be developed in strict compliance with the representations made to the Council in obtaining approval of this Resolution.

PARKING LOT:

1. Exemption from 19.30A.030G and 19.30A.040 to amend any existing allocation agreements restricting the further subdivision of subject lots – this should also go to the Exemption Exhibit “A” (TK #6b)
2. Second farm dwellings (TP #7)
 - Construction of farm dwellings is as allowed by MCC 19.30A.050.B.1 for the entire Project (YLS)
 - The developer will construct a farm dwelling on each of the 19 workforce lots and will sell each lot/farm dwelling package to an HRS 201-H-qualified owner-occupant. If the owner occupant wishes to construct another farm dwelling on the workforce lot, that farm dwelling must be sold (if possible) or rented, as an HRS 201-H-qualified unit(MM, Developer)
 - The number of second farm dwellings on market lots will not at any time exceed the number of existing second farm dwellings on workforce lots (RH)
 - The total number of farm dwellings (first and second) on workforce lots shall at all times remain over 50% of the total number of farm dwellings (first and second) in the Project area.

3. Emergency Exit 5 (TP #9)

The State Department of Transportation must approve Exit #5, ingress and egress from and to Honoapi'ilani Highway.

4. Maps & Keys (TP #10)

Each residential unit on each lot must have a map, including all exits, of the Makila Farms subdivision, as well as copies of all gate and baluster keys.

EXEMPTIONS – EDITS TO EXHIBIT “A”

Section B(2) – 550 feet should be changed to 800 feet, which is the standard in ag districts

Section C should be edited to correspond to Chair Kama’s proposals

1. An exemption from Section 19.30A.030B, MCC, shall be granted to allow lots 1-12 to have a minimum lot width of 100 feet.
2. **An exemption from Section 19.30A.030(G) and 19.30A.040, MCC, shall be granted to allow the re-subdivision of the property into the plat configuration shown in the Project site plan, and to amend any existing allocation agreements restricting further subdivision of subject lots contained in the Project.**

QUESTION:

The resolution refers to preliminary plans and specs as submitted to the Council on August 27, 2019. What other developer's submittals should the resolution refer to, so they can be attached as exhibits.