

**COUNCIL OF THE COUNTY OF MAUI**  
**LAND USE COMMITTEE**

November 17, 2017

**Committee**  
**Report No. \_\_\_\_\_**

Honorable Chair and Members  
of the County Council  
County of Maui  
Wailuku, Maui, Hawaii

Chair and Members:

Your Land Use Committee, having met on November 1, 2017, makes reference to Bill 67 (2017), entitled "A BILL FOR AN ORDINANCE TO AMEND THE STATE LAND USE DISTRICT CLASSIFICATION FROM AGRICULTURAL DISTRICT TO RURAL DISTRICT (CONDITIONAL BOUNDARY AMENDMENT) FOR PROPERTY SITUATED AT POLANUI, LAUNIUPOKO, LAHAINA, MAUI, HAWAII, TAX MAP KEY NOS. (2) 4-7-013:004 (POR.) AND (2) 4-7-013:005 (POR.), CONTAINING A TOTAL OF 14.594 ACRES."

The purpose of Bill 67 (2017) is to grant a request from Makila Kai LLC ("Developer") for a State Land Use District Boundary Amendment from Agricultural District to Rural District for approximately 14.594 acres located along Haniu Street, Polanui, Launiupoko, Lahaina, Maui, Hawaii, identified for real property tax purposes as portions of tax map keys (2) 4-7-013:004 and (2) 4-7-013:005, to facilitate the development of a Chapter 201H, Hawaii Revised Statutes ("HRS"), affordable housing project known as Makila Kai.

Your Committee notes it previously reported on this matter through Committee Report 17-85, which recommended that the proposed bill be passed on first reading and ordered to print, the unilateral agreement be recorded, and County Communication 17-218 be filed. Your Committee's recommendations were adopted by the Council at its meeting of June 16, 2017.

Your Committee also notes the unilateral agreement was recorded with the Bureau of Conveyances, State of Hawaii, on June 21, 2017.

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At its meeting of July 7, 2017, the Council postponed Bill 67 (2017) to its meeting of July 28, 2017. At its meeting of July 28, 2017, the Council voted to recommit Bill 67 (2017) to your Committee.

Your Committee notes the Council adopted Resolution 17-108 at its meeting of June 16, 2017, approving with modifications the independent development of Makila Kai, pursuant to Section 201H-38, HRS. As a part of that approval, the Council provided that the project approval and its exemptions shall lapse and become void if, by the end of 180 days from the effective date of the resolution, Makila Kai LLC failed to receive the Council's approval of the subject District Boundary Amendment. The 180 days expires on December 13, 2017.

At its meeting of November 1, 2017, your Committee heard from 31 testifiers, 11 of whom supported the project and 20 of whom opposed it. Supporters testified about the need for affordable housing, particularly in the West Maui area; the benefits the project would provide; and compliance with the process afforded under Chapter 201H, HRS. Opponents testified about concerns over potential environmental impacts, including impacts of the proposed wastewater systems; the demand on water resources; kuleana rights for neighboring landowners; and the inappropriateness of the process.

Your Committee discussed prior ownership of and development proposals for the property and surrounding area. Your Committee discussed the procedures allowed by Chapter 201H, HRS, and the authority of the Council to proceed in the manner proposed, and received guidance from a Deputy Corporation Counsel confirming compliance with the Chapter 201H process.

A representative of the Department of Water Supply said the Department is waiting for a will-serve letter from Launiupoko Water Company to confirm the long-term reliable supply of water for potable use. For non-potable use, the Department is awaiting confirmation from the State Commission on Water Resource Management that the application for a well construction and pump installation permit has been approved.

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Tom Nance, the developer's hydrologist, clarified the potable water system in the area has not had a shortage and is ample, but that the shortage has been on the side of Launiupoko Irrigation Company, which supplies water in the area for non-potable use.

Greg Brown, the manager of developer Makila Kai LLC, said he plans to develop his own irrigation well and, because of concerns voiced regarding any potential commingling of stream water with the Launiupoko Irrigation Company source, would not connect the irrigation well to the Launiupoko Irrigation Company supply.

Mr. Brown also said he would install individual wastewater systems similar to the WaiponoPure treatment system, which would yield higher effluent quality, despite the added cost.

Against this backdrop, your Committee debated the considerable benefits of the affordable homes being offered by the developer, the appropriateness of the project for the area, the sentiments of surrounding landowners, and the challenges of the expedited period of review for Chapter 201H projects, and ultimately could not support the project moving forward.

Your Committee voted 7-0 to recommend the filing of Bill 67 (2017). Committee Chair Carroll and members Atay, Cochran, Crivello, King, Sugimura, and White voted "aye." Committee Vice-Chair Hokama and member Guzman were excused.

Your Land Use Committee **RECOMMENDS** that Bill 67 (2017) be **FILED**.

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This report is submitted in accordance with Rule 8 of the Rules of the Council.



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ROBERT CARROLL, Chair

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