

PBR HAWAII
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COUNTY COUNCIL

October 31, 2017

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Councilmember Robert Carroll, Chair
Land Use Committee
Maui County Council
200 South High Street, 8th Floor
Wailuku, Hawaii 96793

**SUBJECT: BILL 67 (2017) AMENDING THE DISTRICT BOUNDARY FOR
PROPERTY SITUATED AT POLANUI, LAUNIUPOKO, LAHAINA,
MAUI, HAWAII**

Dear Councilmember Carroll and Committee Members:

Thank you for holding this hearing on Bill 67, pertaining to the District Boundary Amendment (DBA) necessary for Makila Kai. As you know Council adopted Makila Kai's 201H Resolution on June 16, 2017 (Resolution 17-108). Through the hearing process leading up to the adoption of Resolution, the Council could fully consider Makila Kai.

Bill 67 pertains to the District Boundary Amendment (DBA) for the 14.594-acre area where Makila Kai's workforce homes will be located. The DBA will allow for the subdivision and build-out the 25 half-acre workforce lots and homes. Without the approval of the DBA (Bill 67), Makila Kai cannot proceed.

Makila Kai's workforce homes will be truly affordable. Some of the unique steps Makila Kai LLC is taking to assure include affordability include:

- A \$50,000 financial gift from Brown Development for all workforce homebuyers
- Home prices start at \$178,760 with the \$50,000 gift
- Workforce lottery winners can choose their home size, based on what they can afford
- Workforce homes must be owner-occupied for 30-years
- Workforce homes on half-acre lots allow room for families, gardens, and the ability to expand when needed

Regarding water, Makila Kai LLC will develop its own non-potable irrigation well, storage, and distribution system to provide its own non-potable water independent of the Launiupoko Irrigation Company's (LIC) system (which draws water from Kaua'ula Stream and Launiupoko Stream). The well will be on mauka property owned by Brown Development and will be independent from the LIC system. The attached exhibit shows the location of Makila Kai's well, as well as the LIC non-potable system.

Makila Kai's well permit application was submitted to the State Department of Land and Natural Resources Commission on Water Resource Management (CWRM) on August 28, 2017. We expect the application will take 10 to 12 weeks to process.

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Councilmember Robert Carroll

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Makila Kai will receive potable water from the Launiupoko Water Company (LWC). The source of water for the LWC system is from three potable wells with more than sufficient capacity for Makila Kai, existing homes in the area, and future users. The attached exhibit shows the LWC system, which is independent from the LIC system and does not draw water from any surface sources, including Kaua'ula Stream and Launiupoko Stream. In compliance with Chapter 14.12, MCC ("Show Me the Water,") written verification of the LWC system as long-term, reliable supply of water for Makila Kai was submitted to the County of Maui Department of Water Supply (DWS) on August 23, 2017. We expect DWS's determination soon.

In adopting Makila Kai's "201H" Resolution (Resolution 17-108) the Council included several modifications (conditions) to address issues raised through the hearing process. These include:

- All workforce homes must be developed before or currently with any market-rate homes
- Construction must start within 2 years from the adoption of the resolution
- Makila Kai LLC must develop a well for non-potable irrigation water for all 49 lots
 - Market-rate lots must absorb the cost of the non-potable water system.
 - The County can deny the issuance of building permits market-rate homes if Makila Kai LLC does not develop a non-potable well for irrigation
- Makila Kai LLC cannot sell the workforce homes at market rates
- Workforce homes must be owner-occupied for 30-years
- All homes limited to single story (market and workforce)
- No CPR or subdivision of any of the 49 lots allowed (market and workforce)
- No short-term transient vacation (TVR) or short-term rentals allowed (market and workforce)
- Makila Kai must be developed in strict compliance with the representations made to the Council in obtaining the "201H" resolution
- No exemptions to any County fees

In conclusion, Makila Kai LLC has worked to address water concerns and many other issues. Makila Kai will provide Maui residents with truly affordable workforce housing. We look forward to the Council passing Bill 67 and then being able to build the homes. At the hearing on Bill 67 we look forward to addressing any remaining questions you may have.

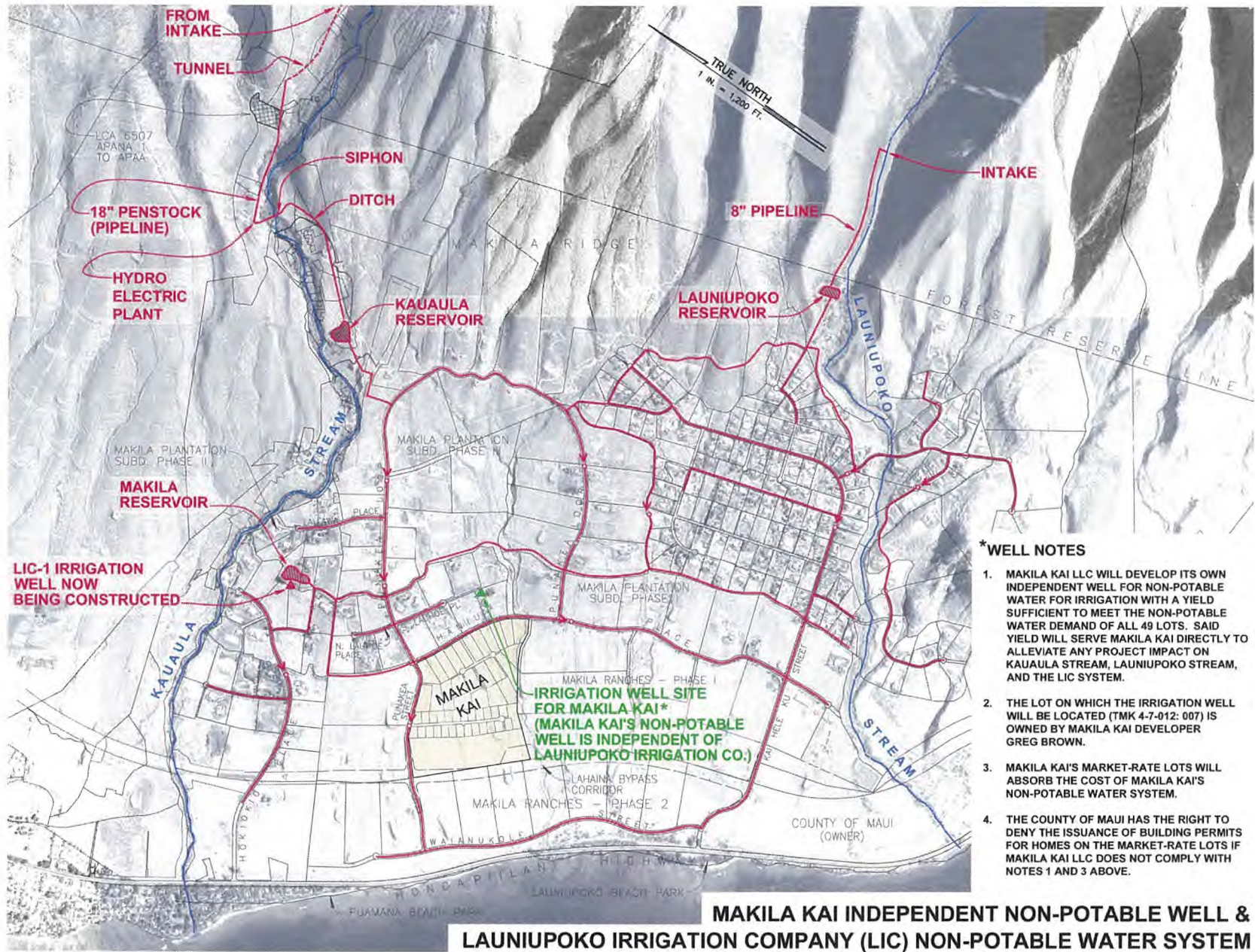
Sincerely,

PBR HAWAII



Tom Schnell, AICP
Principal

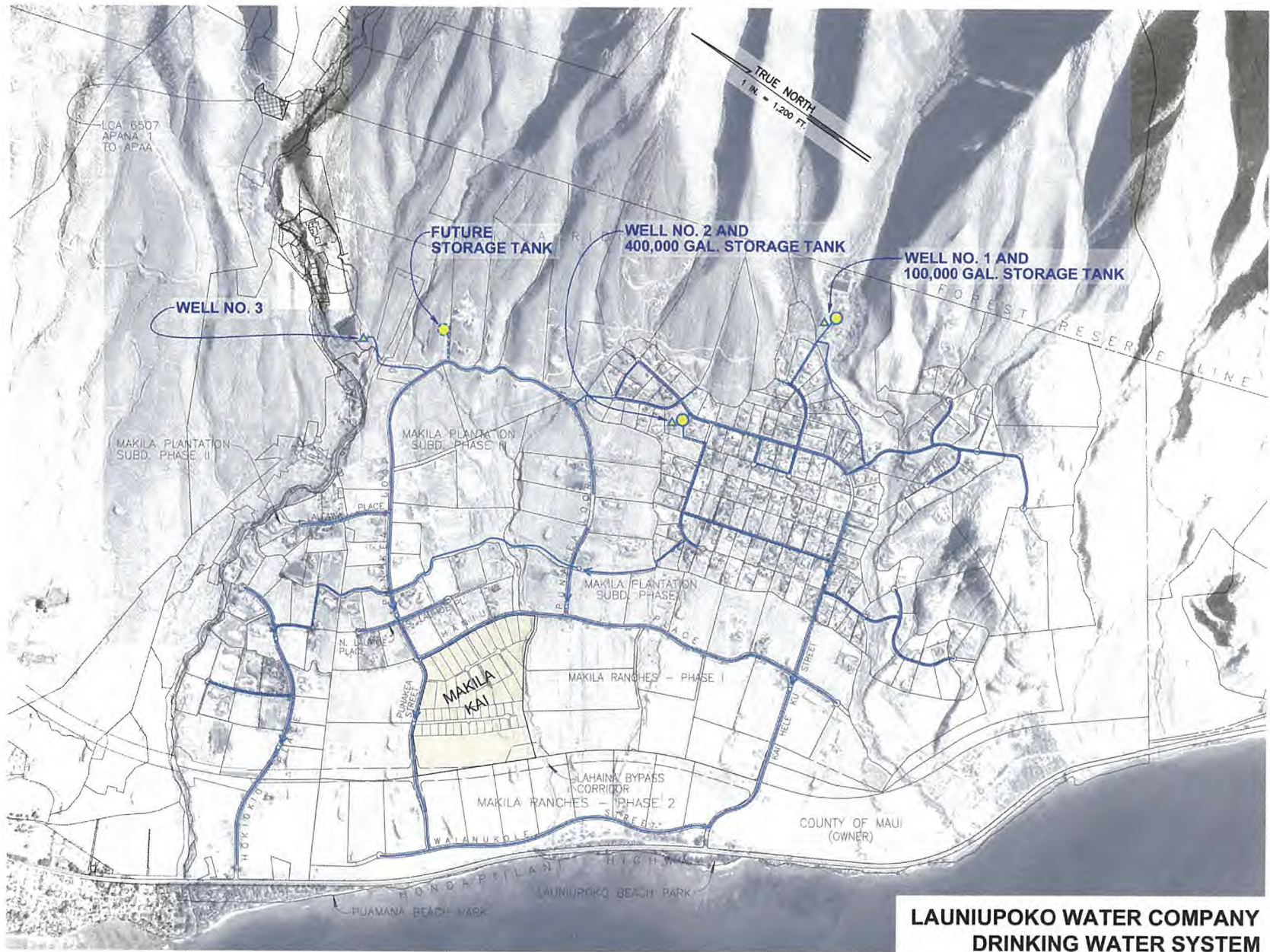
cc: Makila Kai LLC



***WELL NOTES**

1. MAKILA KAI LLC WILL DEVELOP ITS OWN INDEPENDENT WELL FOR NON-POTABLE WATER FOR IRRIGATION WITH A YIELD SUFFICIENT TO MEET THE NON-POTABLE WATER DEMAND OF ALL 49 LOTS. SAID YIELD WILL SERVE MAKILA KAI DIRECTLY TO ALLEVIATE ANY PROJECT IMPACT ON KAUAUULA STREAM, LAUNIUPOKO STREAM, AND THE LIC SYSTEM.
2. THE LOT ON WHICH THE IRRIGATION WELL WILL BE LOCATED (TMK 4-7-012: 007) IS OWNED BY MAKILA KAI DEVELOPER GREG BROWN.
3. MAKILA KAI'S MARKET-RATE LOTS WILL ABSORB THE COST OF MAKILA KAI'S NON-POTABLE WATER SYSTEM.
4. THE COUNTY OF MAUI HAS THE RIGHT TO DENY THE ISSUANCE OF BUILDING PERMITS FOR HOMES ON THE MARKET-RATE LOTS IF MAKILA KAI LLC DOES NOT COMPLY WITH NOTES 1 AND 3 ABOVE.

MAKILA KAI INDEPENDENT NON-POTABLE WELL & LAUNIUPOKO IRRIGATION COMPANY (LIC) NON-POTABLE WATER SYSTEM



**LAUNIUPOKO WATER COMPANY
DRINKING WATER SYSTEM**