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LAND USE COMMISSION
Department of Business, Economic Development & Tourism
State of Hawai'i

June 13, 2017

Mr. Vince Bagoyo
Bagoyo Development Consulting Group
1500 Kilinoe Place
Wailuku, Hawaii 96793

RECEIVED AT AH MEETING ON 7/3/19
Council member Rawlins-Fernandez

Dear Mr. Bagoyo:

Subject: Draft Application for Proposed Makila Rural-East Workforce Housing Project Pursuant to 201H, Hawaii Revised Statutes
Lahaina, Island of Maui, Hawaii
TMK: (2) 4-7-013: 006, 007, 008, and 010

We have reviewed the subject draft application transmitted by your letter dated June 6, 2017.

We understand that the project site is located within the State Land Use Agricultural District, and that the development, identified as the Makila Rural-East Workforce Housing Project, will consist of 50 affordable workforce single-family residential housing units with a minimum lot size of 10,000 square feet and 45 market-priced agricultural lots with a minimum lot size of approximately one acre. The 50 affordable workforce single-family housing units will be located on approximately 14.6 acres, while the agricultural lots will encompass approximately 49.3 acres. Included as part of the project are a neighborhood store, community park, agricultural farm area, and open space greenbelt. The total acreage of the project site is approximately 97.5 acres. We further understand that the Applicant, Hope Builders LLC, intends to develop the 50 workforce single-family residential housing under the Hawaii Revised Statutes ("HRS") chapter 201H process and will file a district boundary amendment with the County of Maui to reclassify the approximately 14.6 acres of land for the workforce housing from the Agricultural District to the Urban District pursuant to HRS §205-3.1. The 45 agricultural lots are to remain within the Agricultural District.

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Based on our review of the project description, we believe that the Applicant is deliberately engaging in parcelization so as to circumvent the comprehensive review of the project by the Land Use Commission ("LUC"). The delineation of the 14.6-acre workforce housing site to just under the 15-acre statutory threshold for consideration of district boundary amendments by the LUC disregards the potential impacts of the project on areas of statewide concern, including but not limited to transportation infrastructure, school facilities, and civil defense, and is contrary to the spirit and intent of the State Land Use Law promulgated under HRS chapter 205. Although the proposed neighborhood country store appears to be integral to the workforce housing, we are unable to determine if it is included in the district boundary amendment as there is conflicting information in the application. We believe that it should be included inasmuch as it represents a commercial use not only for residents of the project but for the greater Launiupoko community, and will therefore generate impacts beyond the boundaries of the project.

As they represent approximately 50 percent of the project, consideration should also be given to include the proposed 45 agricultural lots as part of the district boundary amendment. This would allow regulatory agencies to comprehensively review the project as an integrated whole rather than on a segmented basis. Although it is noted that residents/homeowners of the workforce housing may be encouraged to start small-scale agriculture, such as vegetable and fruit tree gardens, on their individual lots, we question the ability of the project's 45 agricultural lots to have viable farms and diversified agricultural activities conducted on them in a manner consistent with HRS chapter 205. As you may know, agricultural activities in the Agricultural District must be actively and primarily pursued.

As the application readily acknowledges, the majority of the soils on the project site are not classified by the Agricultural Lands of Importance to the State of Hawaii system, indicating that they are not considered prime, unique, or other important agricultural land of statewide or local importance for agricultural use. The Land Study Bureau further characterizes the soils as "stony to very stony" and rates the majority of the soils as "E," or poor, if not irrigated. Although the soils are rated as "B" if irrigated, the previous irrigation system on the site was removed by the previous owners after sugarcane cultivation ceased operations, and it has never been activated or reconstructed since. To address the irrigation needs of the agricultural lots, we acknowledge that the Applicant plans to construct additional distribution lines for irrigation and a non-drinking water well near the Makila Reservoir to augment the two existing diversions in the Launiupoko and Kauaula Streams.

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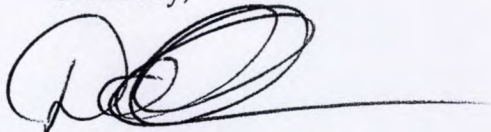
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However, there is no discussion on the cumulative and long-term impacts from the project and the existing and planned subdivisions in the region on these water sources.

Given the existing limitations of the soil for agricultural production, we reiterate our concern that the individual components of the project should be treated as a single development for the purposes of the district boundary amendment. If the Applicant remains intent on excluding the agricultural lots, we believe that an agricultural assessment of the project site should be conducted before any decision is made on the application. Such an assessment should describe, among other things, the type of agricultural crops that may be actively and primarily cultivated on the site and the cumulative and long-term impacts from the project and other neighboring developments on the non-drinking water sources that will be used to irrigate these crops.

We have no further comments to offer at this time. Should you have any questions or require further clarification, please feel free to call our office at 587-3822.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Orodener', with a long horizontal line extending to the right.

Daniel E. Orodener
Executive Officer