

**MAUI PLANNING COMMISSION
PORTION OF REGULAR MINUTES
ITEM C.1
NOVEMBER 7, 2022**

Ms. McLean: Thank you, Chair. The next item is a public hearing which was initiated by the Director transmitting Council Resolution 22-217, referring to the commission, a proposed bill for an ordinance to amend the State Land Use District classification from Agricultural District to Urban District. A conditional boundary amendment for the proposed Kuikahi Affordable Housing Community located on a 14.9-acre parcel of land adjacent to Kuikahi Drive in Wailuku at TMK: 3-5-002:003 (portion), and Danny Dias has taken this matter through commission. Just for those of you who remember Danny from before he was with the Current Division that he moved over to our Zoning Administration and Enforcement Division, and now he's back as a supervising planner with Current. So, happy to see him in front of the commission again.

Ms. La Costa: Mr. Dias, welcome and please introduce yourself and go ahead with your presentation. Thank you.

C. PUBLIC HEARINGS

- 1. MICHELE CHOUTEAU MCLEAN, AICP, Planning Director, transmitting Council Resolution 22-217 referring to the Maui Planning Commission a proposed bill for an ordinance to amend the State Land Use District classification from Agricultural District to Urban District (Conditional Boundary Amendment) for the proposed Kuikahi Affordable Housing Community, located on a 14.9 acre parcel of land adjacent to Kuikahi Drive, Wailuku, Maui, Hawaii, Tax Map Key: (2) 3-5-002:003 (portion) (ZPA2022-00004) (D. Dias)**

Mr. Danny Dias: Thanks, Michele. Good morning, Madam Chair and Members of the Commission. I'll try to keep my comments brief as the developer's representative, Mr. Lawrence Carnicelli has a thorough PowerPoint presentation that he will share with you this morning.

As Director McLean stated, the item before you this morning is a request for a State Land Use District Boundary Amendment from Agricultural to Urban for the 202-unit Kuikahi Affordable Housing Community that will be located right up the road here along Kuikahi Drive in Wailuku.

The commission today is tasked with providing a recommendation on this request to the Maui County Council. This project will be 100 percent affordable and the breakdown of the units is as follows, the developer proposes to construct 120 multi-family/condominium units, 18 duplex units, 14 townhomes, 16 live/work units, 28 studio units and six single-family dwellings. As you may know, this project has already gone through quite a bit of review at this point happening simultaneously with this resolution. The County Council also reviewed and adopted Resolution 22-193, which is attached to your report as Exhibit No. 2, and this resolution involved the approval of this project under Chapter 2.97 of the Maui County Code, which allows for various exemptions requested for residential workforce housing projects and a list of those exemptions requested by the developer and approved by the Council is located within the Exhibit 2.

Lastly, this project received EIS approval earlier this year, and during that process, this commission reviewed and provided numerous comments on the Draft EA, and those comments are provided or those comments provided by the Commission are attached to this report as Exhibit No. 17. So, with that, I'll hand it over to Mr. Lawrence Carnicelli from Alaula Builders for his presentation. Thank you.

Ms. La Costa: Thank you, Mr. Dias. Mr. Carnicelli welcome, and we look forward to your presentation.

Mr. Lawrence Carnicelli: Aloha. Good morning, Chair. Lawrence Carnicelli, Vice President of Development for Alaula Builders. And if you allow me, I will do a screen share. Okay, you got me? Yes, here it is.

So, Kuikahi Villages is, is what we're here for, a DBA, as Mr. Dias had pointed out. So, this is basically what we'll do is we'll go through the request, location, an overview, site with some renderings, the EA, and then some of the dynamics that happened through the community input process. I really want to recommend Mr. Dias on a staff report. It's extremely thorough, very well written. If anybody didn't want to go through that four or five inches of the EA, I think he covered everything pretty well. As you can see here.

So, why are we here? So, the Kuikahi Village, we...is a 100-percent workforce housing application, 2.97 process. We went to the County Council and the 2.97 application was adopted on October 7th. However, it was bifurcated. The DBA was bifurcated into a separate resolution of which we are here today to get your comments and recommendations. And then we will go back to the Council for full adoption of the DBA.

In the, in the approval of the 2.97 application, the Council added some conditions to the project which are listed here. Basically, it's got to start within two years, got to finish in five, has to be in compliance with the representations. The lottery has to have preference for long-term residents. There's a, there's a process for that. It has to be owner-occupied in perpetuity. Can only have indoor cats and dogs have to be in enclosed areas. That was a quite vigorous conversation to be had. Cannot feed feral cats or chickens. Composting,...(inaudible) stations, covered trash on the site. We have to do the road improvements on Kuikahi and there has to be a hold harmless for the reservoir, Wailuku Water Company's reservoir, which is about this.

So, the land use designation is basically the reason why we're here is if you look is land use is Ag and it's under 15 acres, and so it does not go to the Land Use Commission, it actually is under the jurisdiction of the county. Here is from the bill that the Council sent it, sent to you is basically, it's an amendment to the Land Use District, and they respectfully request your comments. This may look familiar because on November 25th last year, you guys also did review this and made comments at that point in time.

The location of it. So, here's the base location. If you look right, here's the Honoapiilani Highway and then going up is Kuikahi Drive. On the mauka side is Wailuku Heights. You have Waikapu on the southern side. Kehalani over on the, the northern portion and then down here like that's Foodland right there, but that's the Honoapiilani. Oh, one thing I didn't point out in that is this, just

as reference is, this right here is Kehalani Mauka Parkway. So, again, Kuikahi Drive going up, and Kehalani Mauka Parkway is gonna be a significant thing. Right here is the County's water tank and the 14.97 acres is roughly right here in this area. This is looking makai. Again, this is Kehalani Mauka...or sorry, this is Kuikahi Drive right here. Kehalani Mauka Parkway is roughly about there and so, it's just below the tank. Here's just a larger overview. Again, the proposed project is roughly right there.

So, overview of the project itself, as Mr. Dias had pointed out, it's a 100 percent work force. It's 100 percent for sale homes. Will be marketed to Maui resident buyers only. As we said earlier, it will be owner-occupied in perpetuity. No market rate sales on this. There's no market rate component to it, no vacation rentals and again, no mainland buyers.

So, what we've tried to do here is a missing middle and smart growth principles as I think we talked about back last November. Seven different home types single-family, two-bedroom and three-bedroom condos, townhomes, duplexes, live/work and tiny homes. It's infill. Basically, we're focusing on for sale because we want to try to promote generational homeownership for folks here on, on Maui. We're trying to do the environmentally sensitive design. There's five playgrounds...five parks, playgrounds, you know, biking, walking paths with shade trees, things of that nature. And there's regional infrastructure coordination, which I'll go over.

Again, missing middle housing is a term now used in smart growth principles. You have, say, single-family homes, all the way to say, multi-family, and there's this whole slew of other things that can happen all the way from duplexes, courtyards, bungalows, multiplexes, triplexes fourplexes, things like that. So, that's what we're really trying to do is focus on that, and it's kind of a unique project.

The Maui County Comprehensive Affordable Housing Plan, the Council commission added a couple of years ago, this is a tier one project in that plan. Here's a summary of breakdown of the homes themselves. So, there's 28 tiny homes, there's 75 two-bedroom condos, 45 three-bedroom condos, 18 duplexes, 14 townhomes, 16 live/work and six single families, and tried to make plenty of ample additional parking.

These are not the prices. Always have to make that disclaimer. This is roughly what they would be when we made the presentation. This is the prices are not set by us. This is the prices of workforce housing is set by the county. It's actually been amended recently at Council. But this is, I think it's important to give this to give people just an idea of the ranges of what these homes will go for if they were built today. But again, this is kind of a moving target, but that's sort of what it is. Also, we're in the process of working with the Department of Housing and Human Concerns and the County Council to use affordable housing funds to buy all these prices down by 100,000 each.

The site itself. So, here's the site if you look...here's again, Kuikahi Drive, is this is sideways from the other things that we looked at. Here's Kehalani Mauka Parkway. Down here along Kuikahi Drive is the multi-family in the middle. We have the townhomes and duplexes, a sort of a courtyard sort of feeling right here with the playground and pavilion. These are the single-family homes. We have our tiny homes. And then along here is the live/work component to that.

As far as other features of this, in the orange, we have five spot parks along the outside. There's one, two, three, four, five, five different spot parks along the...throughout the, the, the neighborhood. The purple is walking, walking paths for connectivity all throughout this site. There's also a 40-foot buffer. We put a 40-foot buffer along a Kuikahi Drive to kind of just, you know, be respectful to the neighbors on the north side of us, Koa is over there. And anyways, just try to make it a real walkable, usable neighborhood. And if I just also would note is part of the live/work is...actually I'll go to that later, never mind.

So, landscaping plan, there's no exemptions that we asked for in the landscaping plan, this is going to be as if this was 100 percent market rate housing. It's going to have all the same trees and, and everything that a normal, "normal", you know, market rate neighborhood would have. However, we are going to focus on drought tolerant plants and xeriscaping.

So, here are some renderings. I'll just go through this. Just so you can kind of get an idea because, you know, we didn't really have renderings last time we were here. This right here is looking mauka. This is Kuikahi Drive right here and this car is coming out Kehalani Mauka Parkway. So, this is the intersection that we talked about, and I'll go over that a little bit. To the right-hand side of here is Koa neighborhood. And then obviously, Kuikahi Village is on the left-hand side of this photo. So, this is looking makai. So, this is at the top. Again, in the middle of the picture is Kuikahi Drive, Koa on the right-hand side of this picture and then Kuikahi Village on the right. And then here's just some renderings through the course of the neighborhood.

I'm just trying to be respectful for your time. I'm just kind of trying to get through this. I know you guys have seen it before and read things and if you do have questions, obviously I'll be more than happy to go over those with you. This is the multi-family, backside of those. That's the townhomes. That's the duplex. This is the front side of the live/work, and the live/work is basically what that is, is a, a townhome on the top, and then there's a studio underneath. The studio would be allowed to, to conduct business that's allowed in the Residential District currently. It's not asking for anything, you know, over and above, what's actually already allowed in the Residential District, so it's not going to be like machine shop or something like that. It's something that really the intent here is to have services so people can stay within the neighborhood. Let's say daycare or haircutting, something like that. Also, the component of it is I think we actually discussed this last time we were here is that if somebody wanted to put a long-term tenant in there, they would be able to do that as well. This is the back side of the live/work. This is the tiny home.

So, Environmental Assessment. We did a full-blown EA. Started about a year...two years ago. Reached out to 48 different federal, state and county agencies and community associations. There's a list in this middle paragraph of the different associations that we reached out to, along with neighbors. On October 8th of twenty-one, we got our anticipated FONSI and we published the Draft EA, and then the Final EA and the FONSI was issued on May 23rd of this year. Here's a list of all the different studies in due diligence that's done in the EA process that you guys are very familiar with.

So, the findings in the EA showed that there were no native plants, no endangered...nor endangered Hawaiian Hoary Bats. The AIS showed that there...does not contain any historical

sites or burial features or human remains, and then the Cultural Impact Assessment also showed that there was no cultural practices or any cultural resources found to be in connection with the site.

Also, is the traffic report that TIAR said that we should try to optimize the timing of the intersection at Waiale Road and Kuikahi Drive which I think you're all familiar with that we would consider a mini roundabout at Kuikahi Drive and the Kehalani Mauka Parkway which we featured earlier. Additionally, that the, that the drainage that a...that we retain onsite surface flows for the 50-year, one-hour storm that that be retained onsite. So, this is Kuikahi Drive right here. This is kind of looking, looking, makai, and then this is Kehalani Mauka Parkway. So, this is that intersection. This is, say the. the most makai portion of the, the neighborhood, and this is where that roundabout is potentially going to go. Here's a bad rendering of it, because it's probably a little bit too far, you know, to the north. It's going to be more on our property than not, but we don't actually make the determination whether a roundabout goes there or not. It actually can be a stoplight. It could be a stop signs, traffic, you know, mitigation type things. But we're working with, Public Works because they...this is their, you know, roadway, they're going to ultimately decide what goes there. But we felt that it'd be necessary that even though it's not triggered that by our TIAR, that we found that it necessary to put some sort of traffic control at this intersection just for safety.

Here's just a preliminary drainage plan. As you can see, all retain...all drainage retained on site and then there would be a retention basin down here at the bottom, again, Kuikahi Drive there.

So, in the community outreach process, we got a lot of input, some of which actually came from this commission. So, one of them was why are you putting it in the middle of the property and not down at the bottom? And it's basically because we don't have water. So, there's three ranges. If you talk to the Department of Water, there's three ranges of tank storage for this particular property. You have the upper upper, you have the upper and then you have the lower, the upper upper and the lower do not have water. And there was enough water in the in the middle band here, which is called the upper to where we actually have enough water to build homes. When actually we were at the commission, some of you talked about, does this bifurcate ahupuaa line? It actually does not when you look at the project site there.

One of the things that we're also concern was the runoff from Wailuku Heights actually currently goes into the Wailuku Water Company's Reservoir 10 that you can see featured on the, the mauka side is up here, so all of this runoff from this neighborhood actually is retained in this reservoir. And so, we've actually been working with the Department of Public Works that we were going to put additional retention specifically just for the county on our site right here. So, we're going to actually take all of that runoff that would normally go into the reservoir, and we're going to create a detention basin over here on our property to help serve the county.

Here's just an overview of the reservoir itself. Is, there's a lot of things have been done by Wailuku Water Company. They own this, it's their water. It's, well, it's not their water, but they control everything about this. This is, even though it's technically sits on our property. They're the ones that control everything. So, here's the reservoir itself. The water comes through the lao Waikapu ditch from lao Valley, comes this way. It's electronically monitored. As it comes in it then, the

delivery system is underground. It comes out, as you can see here on the makai side, and there's actually two spillways. There's one here on the southern side and then an emergency spillway on the backside as well.

It's not...Oh, here we go. There's concern about whether or not there would be sand. This particular project site has cobbly silty clay and lao clay in it. Sand is over a mile away. You got to go all the way past Waiale to find sand. The Waikapu Community Association was really concerned about their 500-foot buffer. In the Maui Island Plan there's a 500-foot buffer between Wailuku and Waikapu on the parent parcel, which is 148 acres. The project site does not fall within that 500-foot acres. It's Flood Zone X.

Schools, always a conversation when you're when you're going to build a new neighborhood about schools. So, Puu Kukui is the...is what will serve this particular neighborhood. Puu Kukui is currently at a max capacity, so when we talked to you over a year ago, we went to the DOE and we talked to them about that and concerns, and they said, well, it's actually part of a larger system that includes Waihee Elementary, Wailuku Elementary, Puu Kukui and Pomaikai. The other three schools are actually not at capacity, on Puu Kukui is. Puu Kukui is actually been going down in enrollment for the last four years, but the DOE looks at this as not an over capacity issue, but a redistricting issue. So, they're going to hopefully within the next year before next year's school year they're gonna redistrict and so some of the overcrowding that's going on in Puu Kukui will go to some of those other three schools. There's also a super school site that will be put at Waikapu Country Town. Mike Atherton's Waikapu Country Town will actually have a super school on site there.

As far as land use districts, Maui, 94 percent of all Maui lands are in Ag or Conservation, about one percent in Rural and five percent is in Urban.

Timelines. People always want to know about timelines. Essentially, when we look at our initial design and studies is February of 2020 Draft EA, Final EA, 2.97 approvals, come here to you guys, planning commission, we go back to the Council for our DBA approvals, then we start taking applications at that point. We hope to start earthwork in March. I think that that's a little bit...we're trying...we hopefully we can get some approvals for that. We'll conduct our lottery some time next summer and start construction next summer. We'll start our off-site intersection work shortly thereafter because that actually has to be completed before anybody moves in which our first occupancies let's say, you know, a late summer of 2024 and then hopefully done by the summer of 25. And we respectfully request your support. Mahalo Chair.

Ms. La Costa: Thank you. Commissioners, have you any clarifying questions for Mr. Carnicelli? Commissioner Freitas.

Mr. Freitas: Thank you, Chair. Good morning, Mr. Carnicelli. Good to see you. You said that the sales price amendment that was recently adopted by the County Council. Will that sales prices affect this or not?

Mr. Carnicelli: That's a good question. It's still a little bit unclear to us as to whether it is or not. We've been told that we were going to be given an exemption to that. However, the reality is this

is, is for these homes in order to be built, we're going to have to work with the county in some way, shape or form to bring the prices down, and we're going to need assistance from the county in order to do that. So, the intent has always been that we want, you know, the, the euphemism that's thrown around is truly affordable. There's an inverse proportion in the prices that the county has us sell at versus interest rates. So, as interest rates rise, the prices go down. At some point in time, it just doesn't make fiscal sense to even move forward with the project. So, that's why we're going to have to work with the Council and with the Administration, whether it be this one or a new one. Next year, we're going to have to work with them to set prices. So, there will be a lot more input into what the pricing is between now and the time that the lottery happens.

Mr. Freitas: Okay, thank you. One more question. You said...you went kind of fast and said something about a hold harmless. Is that hold harmless due to the, I guess there's a stream or gulch. Why is there a hold harmless?

Mr. Carnicelli: Yeah, the hold harmless is, is the reservoir that we talked about. The Wailuku Water Company's reservoir is above this project, and there was this concern that it's like, okay, what if something happens there and they want...the hold harmless basically says that if we're responsible for anything that we hold the county harmless. It's a standard thing in any 2.97 application. They always want to hold harmless. They just wanted us to add, you know, if we're even though we're not, not responsible at all for the Wailuku Water Company's reservoir, if there is something found that we are, that we hold harm, that we indemnify the county.

Mr. Freitas: Okay. Thank you, Chair.

Ms. La Costa: Thank you, Commissioner Freitas. Commissioners? Commissioner Thayer.

Ms. Thayer: Thank you Chair. And thank you, I have a question clarifying, you said there's no access to water on the lower portion of the property to support development, did I hear you correctly.

Mr. Carnicelli: Correct.

Ms. Thayer: Okay, and—

Mr. Carnicelli: Yeah, is...go ahead, sorry.

Ms. Thayer: Oh, no, you can continue to...do you have—

Mr. Carnicelli: No, I can go deeper as to why, but it's yes, to answer your question.

Ms. Thayer: Okay, 'cause I was just looking, so the part that got added into the Urban Growth Boundary, so that is not developable or not developable for affordable housing.

Mr. Carnicelli: Okay, it depends if you're talking about water versus, you know, the district boundaries.

Ms. Thayer: Well for...well, in relation to the water access.

Mr. Carnicelli: Okay, the water is you have source, storage and transmission for, for water. The upper part, the upper upper tank doesn't have capacity to support any housing. The lower storage also does not have capacity to support housing. So, the middle band width, which is called the upper tank that actually has enough storage to support homes.

Ms. Thayer: Okay, so the rest of the property, as it is now, would not be able to support any more housing.

Mr. Carnicelli: Correct.

Ms. Thayer: Okay, thank you.

Mr. Carnicelli: Yeah.

Ms. La Costa: Commissioners? Mr. Carnicelli, I have a question, when it talks about Maui residents as being only those eligible. Do you have a specific time that they must be a resident?

Mr. Carnicelli: That's in the Code, 2.97...oh, anyways, it doesn't matter which one it is, but it's in the Code as far as what it is.

Ms. La Costa: Okay.

Mr. Carnicelli: Is that they have to essentially, as I understand it, it's did you file taxes in the County of Maui last year? I do believe that the Council is looking at amending that as well.

Ms. La Costa: Okay, 'cause you have the opportunity to change that if you want to as far as requirements for the lottery, correct?

Mr. Carnicelli: Correct.

Ms. La Costa: Okay. Yeah, because we have a lot of people who need homes and we don't want someone moving here and then wanting to get a home.

Mr. Carnicelli: A hundred percent agree with you. That's, that's--

Ms. La Costa: You know that.

Mr. Carnicelli: That's exactly...and I think that was the intent also, is first thing, owner occupied that the Council said, hey, listen, we want this to not only be owner occupied, but owner occupied in perpetuity, so it's just like there's no second homeowners, there's nobody, you know, picking one off. So, I think that, yeah, the Council had the same concern as you did, as we all do.

Ms. La Costa: So, the live/work, you said, could also be used as long-term rentals.

Mr. Carnicelli: Correct.

Ms. La Costa: Okay.

Mr. Carnicelli: Correct. Yeah, they're not forced to...it's not going to be, you know, forced commercial. As a matter of fact, we had to change our whole TIAR because of this conversation that we had a year ago here was actually the Director in the Planning Department said, oh, you guys are going to change your traffic study if, if you're going to have tenants potentially living here as well. So, yeah.

Ms. La Costa: Okay, thank you so much for your answers.

Mr. Carnicelli: Sure.

Ms. La Costa: Commissioners, other questions. Commissioner Thompson.

Mr. Thompson: Mr. Carnicelli, welcome. So, on the perpetual affordability, how exactly does that work and let's say you have to sell or, you know, grandma is dying, you gotta move to the mainland or something, does it get turned over at the same price or does it incremental appreciation in it. I'm not sure how that would work.

Mr. Carnicelli: Now, good question, is 2.97 allows for a ten-year deed restriction. So, these would be deed restricted for ten years meaning that within the first ten years you still can sell, however it's just restricted...the price is restricted and the amount of appreciation that you're allowed to receive is also restricted, and first, and foremost, the County has first right of refusal. So, if in that ten-year deed restricted period you want to raise your hand and say, hey listen, I need to sell, the County has first right of refusal by Code, and actually even by deed restrictions it will be that way. I would anticipate what we're gonna try to work something in is if we're fortunate enough and we can work with the County to buy the prices down, we're gonna put something else in there to make that a little bit more substantial in terms of the buy down part of it where there's like a...that it goes back to the County that it's not just going in people's pockets.

Mr. Thompson: Roger. So, it's ten years now though, ten deed restricted.

Mr. Carnicelli: Correct. Yeah, by Code. I guess I could of just said by Code it's ten years rather than doing all that.

Mr. Thompson: Appreciate it. Thank you.

Ms. La Costa: Mr. Hipolito, have you any questions?

Mr. Hipolito: No, Chair.

Ms. La Costa: Thank you. Commissioner Thayer, no go ahead.

Ms. Thayer: Thank you. The additional detention basin that's going in by the reservoir is that being put in as part of this project?

Mr. Carnicelli: No, separate and apart. It's something that we were approached by Public Works and they asked if we would work with them in order to do that. So, whether this, you know, project moves forward or not, we're still working with the county to help out on that, yeah.

Ms. Thayer: Okay. Okay.

Ms. La Costa: Commissioners, any other clarifying questions for the applicant? Okay, then we will move to public testimony. Is there anyone who is on the call that would like to testify on this item? Going once, if anyone out there is interested in testifying, please step forward now. Going twice, being that no one who is on the call is wanting to testify. Public testimony is now closed. All right, Commissioners we will open our discussion. Commissioner Thayer, I see you over there, crunching at the bit.

Ms. Thayer: All right, fine. I'll start it off. Okay, so I guess to put it all out there, I...like this to me and you know, I'm thinking about this as 'cause this is like a State Land Use Commission decision, like we are acting for them because of the size of this project. So, thinking in that lens and, you know, like reading their comment letter on the Draft EA and thinking about other comment letters that they've put forth for other projects that are on like Ag land that are zoned Ag, community planned Ag, State Land Use District, Ag, and on thing that they've said is usually when there is a DBA to go from Ag to Urban, it is like the last of those three things to be changed. Like usually you would have like the community plan would change an area from Agriculture to whatever, and then the zoning would follow suit, and then it would be to bring the State Land Use Designation in line with all of those things, kind of from the ground up. And this is going the other way.

On the other hand, like this is, I think, in itself, like a well-planned, well-planned project like you're providing all the different kinds of housing that are needed and it's all affordable, which is also needed. But I want to look at it like, give it some scrutiny. One, because this is like just under 15 acres and like just thinking of other projects that could come up in the future, that might not be good for the people, 100 percent affordable housing project, like if this was a market rate housing project that wanted to go through the DBA process that was like a hair under 15 acres, how would we look at that? And like, what kind of precedent might we be setting by like, taking and going forward and recommending approval on a project of this size and scope? You get what I'm saying? These are all things that are going through my head in evaluating this project. 'Cause the change from Ag to Urban is like a pretty significant and potentially permanent change. And like, this piece of land is the kind of like the first on the Waikapu side of Kuikahi Drive to have any development aside of like outside of Waikapu Town itself. And so, like what was just, you know, formerly like forest that probably then had some kind of Hawaiian habitation on it, that then was in sugar and pineapple, like will now be fully urbanized, and like the cumulative effect of that wasn't really addressed in the EA. So, like, there's the open space that's being urbanized. And then there's like the prime Class A Ag land that is also being urbanized. But then we get into like the cost-benefit analysis of is it okay or good or beneficial to have fully affordable housing at the cost of some of our most fertile or accessible watered Ag land? These are all questions going through my head.

And, and I guess it's to us to weigh that out and provide a good recommendation. And then like, what is the potential for this just being a precursor to further development of that whole side of Kuikahi Drive? Like what could this open up to in the future to say like, oh, like this little piece was already developed, so why don't we just like, add this little piece more and it's just another 14.9 acres, and in the grand scheme of things, it's not that big, but in the microcosm here it is big and how do we weigh that all out.

But on the other hand, like at the expense of all that, we are potentially giving many, many local families a good chance at a new life, and a home to call their own. And so, I don't know that I have a point of all this, but I wanted to raise all of this for discussion because to me, like these are the salient points to look at for a project like this, whether it is affordable or not. If we are considering a 15-acre project that will like, fully urbanize fully agricultural land that I feel like we should weigh this out and what this would mean for potentially future projects that are doing some kind of development on a piece of land like this. If anybody has any thoughts, I would love to hear them.

Ms. La Costa: Director.

Ms. McLean: All right, I mean, I do, but oh, commissioners, want to go first.

Ms. La Costa: Okay, I thought that maybe you would answer—

Ms. McLean: No, I do for sure, but Commissioners want to go first, they should go first.

Ms. La Costa: Okay, Commissioner Freitas.

Mr. Freitas: Aloha Chair. Question is, you're asking me to comment or you're asking a question?

Ms. La Costa: I asked...I called on you because I wanted to know if you had any discussion on this matter?

Mr. Freitas: I do. I feel that we've heard a lot about this project and most of them when I look back at the Charter, the Maui Island Plan, all of those things I think pretty much were ...(inaudible)...they did a really, really great job. I think when Commissioner Thayer started speaking and she started to talk about us looking at this through the lens of the land use, I would like to just kind of focus in on that. And it says in that section on Page 10 that conditions shall be imposed only if the Council finds such to be necessary to prevent adverse effects upon public health, safety and welfare, and shall be reasonably conceived to fulfill needs arising directly out of the proposed land use in the following respects and there's only two, one is protection of the public from the potentially deleterious effects of the proposed use, and the second is, for ...(inaudible)...needs for public service demands created by the proposed use. Both of these were overwhelmingly provided and shared and well thought out from the, from the public protection, and also to the much needed not only housing, but I like the way that they have that one area where you can also have an office space downstairs for providing even more services.

They need everything here. So, I, I'm happy for this project. That's my manao on this. Thank you, Chair.

Ms. La Costa: Thank you, Commissioner Freitas. Commissioner Hipolito.

Mr. Hipolito: Thank you, Chair. I echo Commissioner Freitas. I hear Commissioner Thayer's questions and, and comments about prime land. I came from agriculture. That's where I grew up and agriculture is to me...it's important for our community, but also, it's important to also recognize that agriculture, it's not dying, but it's, it's hard to do. And I look at right now what is the need right now? I think there's a lot of fertile lands, throughout our island, but very few lands and commitments from people who wants to provide housing for our residents or we want them to become permanent residents and not moving off island. So, I'm very interested to hear that the Director's point before I add more comment, but I echo what Commissioner Freitas says, and but I do feel for Commissioner Thayer's comments that she has made.

Ms. La Costa: Thank you, Commissioner Hipolito. Commissioner Thompson.

Mr. Thompson: You know, we had this before us last year and I think we ferreted it out pretty well, although there's good points still made it. We do need the housing. Once it's built, though, that Ag's gone, it'll never return. It's a sacrifice. But I know it's...like I said, it's going to be really well vetted out. It's got another trip to the, the Council and it still has some speed bumps in it for financing because getting the county to give over \$100,000 a unit, I mean, they need to, and I think it looked like they were going to, but I'm not sure, but as far as we're concerned, I think, yeah, I think we have a good wrap on it. I don't think I have anything to add.

Ms. La Costa: Thank you, Commissioner Thompson. Director, would you please give us your input?

Ms. McLean: Thank you, and I love Commissioner Thayer's thinking like a planner. To me, the order that land use changes would go in, would start with the Maui Island Plan and then community plan would follow that, then the District Boundary Amendment before the Change in Zoning, because the Change in Zoning would have to be consistent with the DBA. In this case, because of the 2.97 process, that takes care of the Community Plan Amendment and the Change in Zoning together. So, it, it did put the DBA out of order. So, you're absolutely right about that. But that's how the process works. And when you're looking at a DBA from Ag to Urban, you're, you're really looking at the appropriateness of urbanizing that land. And you look for it to be contiguous. You look for where we want to see growth. You look for where the Maui Island Plan is saying we should grow, and ideally there would be redevelopment of existing developed lands. We don't often see that, unfortunately. So, for the most part, that does mean that that growth is going to happen in undeveloped areas, which are generally Ag. That's just what we face.

In this case, you do have the benefit of a fully fleshed out project to consider when you're thinking of the appropriateness for urbanization. Sometimes you don't. You're just looking at, oh, that's community plan, single-family. There's going to be some kind of residential here. You don't really know. In this case, you know, and so that's obviously going to go into your thinking, but we don't often have the benefit of that. So, it's, it's nice to have that.

And then with regards to the 15-acre threshold, I think it is sending a message to the State Land Use Commission that people really don't want to have to go before them. We want decisions made on the local level. I know they don't like it, but at the same time, I've been through Land Use Commission proceedings, and they are long and, and difficult. And it's, you know, it's understandable why people want things processed on the local level. There are often proposals at the state level to increase that threshold, and if it's increased, you'll probably see projects coming in that are just below that new threshold. But I think it is, I think it is beneficial to have those decisions made at the local level. And if that seems like people are pushing the limit, well, they're still within the limit. So, so, those are just some, some planner thoughts to the planning comments that you had. Thank you, Chair.

Ms. La Costa: Commissioner Freitas. Were you just shakaing because you agree or did you have...did you have additional comments?

Mr. Freitas: I forgot, I'm at my office, and the owners of the company walked in and I saying hi to them.

Ms. La Costa: That was a howzit then, okay. Okay. Commissioners, additional thoughts. So, it's always great to be the last one to speak because then you don't have to regurgitate what other people have so much more eloquently discussed. So, I will start with Commissioner Thayer. I absolutely concur about what you have said. What is more important, you know, in the land-based thing. Prime Ag lands where that's located, around a lot of houses, you know, what kind of issues come up with herbicides, pesticides, noise, et cetera, et cetera. And with all the other infill that is there, I think that is a good place for that project because they have access to hospitals, and downtown, and the airport, and, and with the live/work units, then you know, there will definitely be opportunities for people to expand their businesses.

The LUC comment, when you said that, I kind of smiled to myself thinking this is not the first and it will not be the last, and I concur with the Director making those decisions, for our neighborhood, rather than leaving them to people in Honolulu makes so much more sense. So, I like it when people just push the outside of that envelope and do the 14.9 so that we get to hear it and make the decision on it. So, I, I'm, I like that.

This project is what Maui desperately needs. Everyone is always saying, we need housing, we need housing, and I would like \$100 for every time someone asks me when there's going to be another affordable housing project that they can get in on the lottery, especially my friends at the dump. They're always asking me what's coming up. So, I applaud this project. Mr. Carnicelli and the developers that they are providing our people with what they need to and the restrictions on, you have to live here a specific number of years, I think is really important. It's easy to move here, file a tax return. You move here in December, you file a tax return then all of a sudden, you're a resident. I just think that that's undercutting who lives here. It's like Hawaiian Homelands it's been, you know, waiting forever on the list. So, it's important, I think that that is really scrutinized so that we have people who are...I have a friend living in their car now, so I don't want to see that anymore. So, I applaud this. The work/live is perfect. The tiny homes, because a lot of people don't want to mess with a lot of maintenance. I mean, it's, it's the whole package which

we haven't seen before. So, mahalo nui, I applaud you. So, with that, could Mr. Dias, would you please give us the Department's recommendations. Mahalo.

Mr. Dias: Thank you, Chair. Yes, the Maui Planning Department recommends that the commission recommend approval of the State Land Use District Boundary Amendment, subject to two conditions. Number one, that the property be developed as a 100 percent residential workforce housing project in accordance with the 2.97 Resolution, and also, that the property shall be developed in substantial compliance with the representations made to the Maui Planning Commission and Maui County Council in obtaining the 2.97 Resolution and the State District Boundary Amendment.

Ms. La Costa: Thank you. Commissioners, may I have a motion please? Commissioner Hipolito. We can't hear you.

Mr. Hipolito: I would like to make recommendation, a motion to approve with the two conditions for the State Land Use District Boundary Amendments.

Ms. La Costa: Thank you, sir. May I have a second, please? Commissioner Thompson. Mr. Hipolito, would you like to speak on your motion?

Mr. Hipolito: Yeah, I would like to continue my discussion. I, like everyone, has mentioned earlier, the developer has done a really great job. I hope other developers really look at what this developer has done, Mr. Carnicelli and their group, and use that as a template or even a prototype. And again, I applaud them for what they were doing. We need the housing as you said, Chair. We really do. And again, I support this project a hundred percent. Thank you.

Ms. La Costa: Thank you so much. Mr. Thompson, second.

Mr. Thompson: I concur.

Ms. La Costa: Thank you. Okay, Director, could we please do a roll call vote? Oh, Commissioner Thayer.

Ms. Thayer: Sorry, I wanted to ask about the landscaping.

Ms. La Costa: About the what, please?

Ms. Thayer: Landscaping. And I don't know if this would be a condition, but I would just ask.

Ms. La Costa: Okay, let me, let me have Mr. Carnicelli come up and answer your question then before we do the vote. It's kind of out of order, but I'll make an exception.

Ms. Thayer: Sorry. But thank you for incorporating native trees into the landscaping. Would you be open to incorporating other trees like Ohia Lehua?

Mr. Carnicelli: You know, is...it's a little bit out of my scope to say this and not this, whatever is because there was actually discussion in Council about that, about...there's a whole palette of trees that are included that the Council...that the county allows and doesn't allow. I do believe that that is one of the trees that's allowed. So yeah, is that we're going to try to use as many native plants as we can.

Ms. Thayer: Yeah.

Mr. Carnicelli: But we have a landscape architect, Bill Mitchell, and he's the guy that I don't know if you're familiar with Bill, but he, he definitely wants to incorporate as many of the native species as we can.

Ms. Thayer: Yeah, I'm just thinking the...so, I work for the Watershed Partnership and this is like—

Mr. Carnicelli: Right.

Ms. Thayer: --very close to the forest that we take care.

Mr. Carnicelli: Sure.

Ms. Thayer: So, as much native trees can be incorporated as possible, would really help to like, rejuvenate the watershed and the natural environment that used to be there.

Ms. Thayer: Right.

Ms. Thayer: And then even thinking about the families that are living here would likely be all local folks, but to include things like, Ohia and Koa. It's also good for like lei plants and cultural significance—

Mr. Carnicelli: Right.

Ms. Thayer: and for kids growing up there to be familiar with Hawaiian plants.

Mr. Carnicelli: Agreed.

Ms. Thayer: So, the fullest extent possible. I don't want to like, impose a condition about this because I know that could affect your cost. But to the fullest extent possible.

Mr. Carnicelli: Understood.

Ms. Thayer: To incorporate as many as possible because there are other like common, not native trees in the landscaping plan that I think get generically used all over, but to replace those as much as possible.

Mr. Carnicelli: Yeah, there's certain ones that will definitely be excluded, even though they're allowed.

Ms. Thayer: Yeah.

Mr. Carnicelli: 'Cause you know, the, the list there was just kind of from the county's list, but you know, there's some without going too far down the rabbit hole, it's like even Council wanted to say like, oh, do we include fruit trees or not?

Ms. Thayer: Hmm.

Mr. Carnicelli: 'Cause like, okay, we want fruit trees for people, but oh, but then the deer come down.

Ms. Thayer: Right.

Mr. Carnicelli: And so, anyways, it's a balance, and that's why we hired a landscape architect to do that.

Ms. Thayer: Sure.

Mr. Carnicelli: But definitely understand what you're saying for sure.

Ms. Thayer: Awesome. And I wanted to say thank you about the accepting the not feeding the cats and things like that. Awesome. Very helpful.

Mr. Carnicelli: I'll talk to you after this about the, about the cat conversation we had a Council.

Ms. Thayer: Yeah, I didn't listen to that Council meeting, but yes, sure, thank you. Thank you. Sorry.

Ms. La Costa: We have to get to ...(inaudible)...might as well. Okay, Director, would you please do roll call vote. Mahalo.

Ms. McLean: Yes, Chair. The motion is to recommend approval of the project to the County Council subject to the two conditions in the staff report. Commissioner Freitas.

Mr. Freitas: Aye.

Ms. McLean: Commissioner Thompson.

Mr. Thompson: Aye.

Ms. McLean: Commissioner Hipolito.

Mr. Hipolito: Aye.

Ms. McLean: Commissioner Thayer.

Ms. Thayer: Aye.

Ms. McLean: And Chair La Costa.

Ms. La Costa: Absolutely aye.

Ms. McLean: Chair, the motion passes five ayes, no noes, with three excused, Vice-Chair Pali and Commissioners Lindsey and Deakos. The motion passes.

It was moved by Mr. Hipolito, seconded by Mr. Thompson, then

**VOTED: To Recommend Approval to the County Council the State Land Use District Boundary Amendment as Recommended by the Department with the Recommended Conditions.
(Assenting – K. Freitas, D. Thompson, M. Hipolito, K. Thayer,
P D. La Costa)
(Excused – K. Pali, M. Deakos, A. Lindsey,)**

Ms. La Costa: Mahalo Director, and mahalo Mr. Carnicelli and your group.

Mr. Carnicelli: Thank you.

Respectfully Submitted by,

CAROLYN TAKAYAMA-CORDEN
Secretary to Boards and Commissions II