

COUNCIL OF THE COUNTY OF MAUI  
**HOUSING AND  
HUMAN SERVICES COMMITTEE**

April 7, 2006

**Committee  
Report No.**

\_\_\_\_\_ 06-50 \_\_\_\_\_

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

Chair and Members:

Your Housing and Human Services Committee, having met on March 13, 2006, makes reference to County Communication No. 06-8, from the Director of Housing and Human Concerns, transmitting a copy of the proposed affordable housing agreement with Elleair Hawaii, Inc., for the redevelopment of the Maui Palms Hotel and renovations to the Maui Beach Hotel.

Your Committee notes that Elleair Hawaii, Inc. was granted a Special Management Area permit to redevelop the Maui Palms Hotel from the existing 101 rooms to 132 rooms. The redeveloped hotel will have an additional 31 rooms, and will be part of the Maui Beach Hotel when completed. Pursuant to Chapter 2.94, Maui County Code (MCC), relating to Affordable Housing Policies for Hotel-Related Developments, Elleair Hawaii, Inc. is required to provide 1 affordable housing unit for every 4 new hotel rooms, or a total of 8 affordable units. The affordable housing agreement memorializes and implements the understanding regarding the satisfaction of affordable housing requirements.

At its meeting, your Committee met with the Director of Housing and Human Concerns; a Deputy Corporation Counsel; and B. Martin Luna, Esq., Carlsmith Ball, LLP, attorney for Elleair Hawaii, Inc.

There was no public testimony.

Mr. Luna stated that the developer will provide 8 affordable housing units, under a co-development agreement with Hale Mahaolu, in Hale Mahaolu's senior housing project in Kihei. Hale Mahaolu is constructing 112 units in two phases. He also stated that Elleair Hawaii, Inc. will provide its required 8 units in the first phase of 54 units.

Your Committee asked whether the units could be built in the Wailuku-Kahului Community Plan area instead of in Kihei.

The Director of Housing and Human Concerns explained that the affordable units were being built in Kihei instead of the Wailuku-Kahului Community Plan area because

COUNCIL OF THE COUNTY OF MAUI  
**HOUSING AND  
HUMAN SERVICES COMMITTEE**

April 7, 2006  
Page 2

**Committee**  
**Report No.**      06-50

there were no housing projects in the Wailuku-Kahului Community Plan area that could be finished concurrent with or prior to occupancy of the main project.

Mr. Luna stated that the affordable housing provisions under Chapter 2.94, MCC, require that a certificate of occupancy for the affordable units must be issued concurrent with or prior to occupancy of the main project. Since the 8 units in Hale Mahaolu's senior housing project in Kihei will be ready for occupancy concurrent with the project by Elleair Hawaii, Inc., the affordable units are being provided in Kihei.

The Director also stated that there is no requirement in Chapter 2.94, MCC, that the affordable housing be provided in the same Community Plan area as the project.

Your Committee asked whether any residents of the Hale Mahaolu facility in Kahului, who were originally from Kihei, would want to move back to Kihei when the Kihei facility opens. Mr. Luna did not have exact numbers, but believed that some residents would want to move back to Kihei.

Your Committee expressed concern that there may not be enough open space at the site after the Maui Palms Hotel is renovated. Your Committee requested that Mr. Luna submit a rendering of the plans for the hotel.

Your Committee notes that, pursuant to Section 2.94.030(D), MCC, the Council's role is to review and comment on the unexecuted affordable housing agreement. The Council shall then transmit its comments and the agreement to the Administration for further negotiation and modification, if appropriate, and for proper execution.

Your Committee voted to recommend filing of the communication.

Your Housing and Human Services Committee **RECOMMENDS** the following:

1. That copies of this committee report and the agreement entitled "AGREEMENT REGARDING AFFORDABLE HOUSING: Maui Beach Hotel/Maui Palms Redevelopment Project" be TRANSMITTED to the Mayor; and
2. That County Communication No. 06-8 be FILED.

Adoption of this report is respectfully requested.

COUNCIL OF THE COUNTY OF MAUI  
**HOUSING AND  
HUMAN SERVICES COMMITTEE**

April 7, 2006  
Page 3

Committee  
Report No. 06-50

---

**DANNY A. MATEO** Chair

---

**JO ANNE JOHNSON** Member

---

**JOSEPH PONTANILLA** Vice-Chair

---

**CHARMAINE TAVARES** Member

---

**G. RIKI HOKAMA** Member