CARLSMITH BALL LLP

B. MARTIN LUNA

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One Main Plaza, Suite 400

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Wailuku, Maui, Hawaii 96793-1691

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Attorney for Petitioner KULA RIDGE, LLC

BEFORE THE LAND USE COMMISSION

OF THE STATE OF HAWAII

In the Matter of the Petition of)	DOCKET NO. A11-790
KULA RIDGE, LLC)	
To Amend the Land Use District Boundary of Certain Lands Situated at Kula, Island of Maui, State of Hawaii, Consisting of 51.025 Acres from the Agricultural District to the Urban and Rural Districts, Tax Map Key Nos. 2-3-001:174 and 023 (por.).)))))))	
)	

KULA RIDGE, LLC'S FIRST AMENDMENT TO PETITION FOR DISTRICT BOUNDARY AMENDMENT FILED JANUARY 24, 2011

VERIFICATION

CERTIFICATE OF SERVICE

TABLE OF CONTENTS

KULA RIDGE, LLC'S FIRST AMENDMENT TO PETITION FOR DISTRICT BOUNDARY AMENDMENT FILED JANUARY 24, 2011

VERIFICATION

CERTIFICATE OF SERVICE

TABLE OF CONTENTS (continued)

¹ Exhibit "1"	Authorization of Kula Ridge Mauka, LLC
² Exhibit "2"	Authorization of Kula Ridge, LLC
³ Exhibit "3"	Regional Location Map
Exhibit "4A"	Updated Tax Key Map Delineating the Petition Area - TMK (2) 2-3-001
Exhibit "4B"	Metes and Bounds Map of the Petition Area
Exhibit "4C"	Metes and Bounds Description of Petition Area
Exhibit "4D"	Metes and Bounds Description of Proposed Urban District
Exhibit "4E"	Metes and Bounds Description of Proposed Rural District
⁴ Exhibit "5"	Aerial Photograph of Project Area
⁵ Exhibit "6"	Revised Conceptual Site Plan
Exhibit "7A"	Updated Metes and Bounds Description of the Portion of TMK (2) 2-3-001:023 in the Petition Area
⁶ Exhibit "8"	Revised Application for Affordable Housing Development Pursuant to Section 201H-38, Hawai'i Revised Statutes (August 2010)
⁷ Exhibit "9"	Warranty Deed (Document No. 2005-209685)
⁸ Exhibit "10"	Kula Ridge, LLC Balance Sheet (as of January 13, 2011) and Kula Ridge, LLC Profit and Loss (January 1, 2006 through January 13, 2011)

Exhibit "1" was filed with the Petition for District Boundary Amendment on January 24, 2011.

Exhibit "2" was filed with the Petition for District Boundary Amendment on January 24, 2011.

Exhibit "3" was filed with the Petition for District Boundary Amendment on January 24, 2011.

Exhibit "5" was filed with the Petition for District Boundary Amendment on January 24, 2011.

Exhibit "6" was filed with the Petition for District Boundary Amendment on January 24, 2011.

Exhibit "8" was filed with the Petition for District Boundary Amendment on January 24, 2011.

Exhibit "9" was filed with the Petition for District Boundary Amendment on January 24, 2011.

Exhibit "10" was filed with the Petition for District Boundary Amendment on January 24, 2011.

⁹ Exhibit "11"	Burial Site Component for a Preservation Plan for a Human Burial (SIHP No. 50-50-10-6671) in Kealahou 1 and 2 Ahupua'a, Makawao (Kula) District, Island of Maui, Hawai'i [TMK: (2) 2-3-001:174], FINAL January 2010
¹⁰ Exhibit "12"	Resolution No. 10-57, Approving With Modification The Kula Ridge Affordable Housing Subdivision Project Pursuant to Section 201H-38, Hawaii Revised Statutes, adopted October 19, 2010
11Exhibit "13"	Affidavit of Service of Petition for District Boundary Amendment
Exhibit "14"	Letter by Michael T. Munekiyo of Munekiyo & Hiraga, Inc. dated March 7, 2011, providing supplemental information to SECTION IX , Impacts of the Proposed Development on the Environment; SECTION X , Impacts of the Proposed Development on the Availability or Adequacy of Public Services and Facilities; SECTION XII , Economic Impacts of the Proposed Reclassification or Development; SECTION XIII , Need for Reclassification; SECTION XV , Conformance with the Coastal Zone Management Program
Exhibit "15"	Affidavit of B. Martin Luna Attesting to Service of First Amendment to Petition for District Boundary Amendment

⁹ Exhibit "11" was filed with the Petition for District Boundary Amendment on January 24, 2011. ¹⁰ Exhibit "12" was filed with the Petition for District Boundary Amendment on January 24, 2011. ¹¹ Exhibit "13" was filed with the Petition for District Boundary Amendment on January 24, 2011.

BEFORE THE LAND USE COMMISSION

OF THE STATE OF HAWAII

In the Matter of the Petition of)	DOCKET NO. A11-790
)	
KULA RIDGE, LLC)	
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To Amend the Land Use District Boundary of)	
Certain Lands Situated at Kula, Island of)	
Maui, State of Hawaii, Consisting of 51.025)	
Acres from the Agricultural District to the)	
Urban and Rural Districts, Tax Map Key Nos.	(
2-3-001:174 and 023 (por.).)	
)	

KULA RIDGE, LLC'S FIRST AMENDMENT TO PETITION FOR DISTRICT BOUNDARY AMENDMENT FILED JANUARY 24, 2011

COMES NOW, PETITIONER KULA RIDGE, LLC, a Hawaii limited liability company, by and through its attorneys, CARLSMITH BALL LLP, and hereby submits the following amendment to the Petition for District Boundary Amendment which was filed with the State Land Use Commission ("Commission") on January 24, 2011 (hereinafter referred to as the "Petition").

Petitioner respectfully submits this first amendment to the Petition pursuant to section 15-15-43, Hawaii Administrative Rules ("HAR"), which states in relevant part:

... All pleadings may be amended at any time until fortyfive days prior to the hearing date set pursuant to section 15-15-51. Amendments offered prior to the hearing date shall be served on all parties and filed with the commission. All parties shall have the opportunity to provide any further response to address the amended pleading up to thirty days prior to the hearing date set pursuant to section 15-15-51.

A. INTRODUCTION

On January 24, 2011, Kula Ridge, LLC (hereinafter referred to as the "Petitioner") filed a Petition for District Boundary Amendment to reclassify approximately 34.92

acres from the Agricultural District to the Urban District and 16.25 acres from the Agricultural District to the Rural District in Commission Docket No. A11-790.

Subsequent to filing the Petition, the Executive Officer of the Commission requested Petitioner to provide additional information about the parcel identified by Tax Map Key No. (2) 2-3-001:174 and the parcel identified by TMK No. (2) 2-3-001:023 (por.) in the Petition ("Petition Area") and to supplement certain provisions pertaining to assessments of potential impacts that may occur due to the reclassification of the Petition Area, prompting the submission of this Amendment to the Petition.

In addition, since filing the Petition, Petitioner has conducted a formal review of the Petition Area and the Petition Area Map has been amended to reflect the Petition Area's accurate acreage.

B. AMENDED AND SUPPLEMENTED SECTIONS

Petitioner is amending and/or supplementing Sections II, III, V, IX, X, XII, XIII and XV of the Petition as follows:

II. AUTHORIZED REPRESENTATIVES

B. MARTIN LUNA and the law firm of CARLSMITH BALL LLP, have been appointed to represent Petitioner pursuant to HAR § 15-15-35(b). Attached hereto as **Exhibit** "2" is Petitioner's Authorization.

Pursuant to HAR § 15-15-35(c)(2), all correspondence and communications in regard to this Petition shall be addressed to, and served upon:

B. MARTIN LUNA CARLSMITH BALL LLP One Main Plaza, Suite 400 2200 Main Street Wailuku, Hawaii 96793 CLAYTON NISHIKAWA Manager of Kula Ridge, LLC 2145 Wells Street, Suite 301 Wailuku, Hawaii 96793

III. <u>DESCRIPTION OF THE PETITION AREA</u>

The Petition Area is located in Kula, Maui, Hawaii, and consists of approximately 51.025 acres, inclusive of all existing easements, and is identified by Tax Map Key Nos.

(2) 2-3-001:174 and 023 (por.) A regional location map, tax key map, map of the Petition Area, metes and bounds description of the Petition Area, metes and bounds description of the proposed Urban District, metes and bounds description the proposed Rural District, aerial photograph and conceptual site plan of the Petition Area are attached hereto as Exhibits "3", "4A", "4B", "4C", "4D", "4E", "5" and "6", respectively, and incorporated hereby by reference. The metes and bounds description of the proposed Urban District states that the area of the Urban District is 34.516 acres and the metes and bounds description of the proposed Rural District states that the area of the Rural District is 16.509 acres. The metes and bounds description of the portion of Tax Map Key No. (2) 2-3-001:023 that is part of the Petition Area, which is attached hereto as Exhibit "7A" and incorporated herein by reference, states that said portion is 2.909 acres.

There are no long term leases affecting the Petition Area. One unrecorded lease expired on December 31, 2005 and another unrecorded lease is on a month-to-month arrangement.

Additional details and description of the Petition Area and the proposed development are contained in Petitioner's Revised Application, which includes information updating certain reports in the Final Environmental Assessment ("FEA"). The Revised Application, which includes the FEA, is attached hereto as **Exhibit "8"** and incorporated herein by reference.

3.

V. PETITIONER'S PETITION AREA INTEREST

Petitioner is the fee simple owner of Tax Map Key No. (2) 2-3-001:174, which consists of approximately 48.12 acres. Attached hereto as **Exhibit "9"** is a true and correct copy of the Warranty Deed for the Petitioner's property. Kula Ridge Mauka is the fee simple owner of Tax Map Key No. (2) 2-3-001:023, which portion of approximately 2.909 acres is in the Petition Area. Kula Ridge Mauka has authorized Petitioner to file the Petition. See **Exhibit "1"**.

IX. IMPACTS OF THE PROPOSED DEVELOPMENT ON THE ENVIRONMENT; X. IMPACTS OF THE PROPOSED DEVELOPMENT ON THE AVAILABILITY OR ADEQUACY OF PUBLIC SERVICES AND FACILITIES; XII. ECONOMIC IMPACTS OF THE PROPOSED RECLASSIFICATION OR DEVELOPMENT; XIII. NEED FOR RECLASSIFICATION; XV. CONFORMANCE WITH THE COASTAL ZONE MANAGEMENT PROGRAM.

Michael T. Munekiyo of Munekiyo & Hiraga, Inc., the lead consultant for the Kula Ridge Affordable Housing Subdivision (the "Project"), met with Petitioner's managing member, reviewed the Revised Application for Affordable Housing Development Pursuant to Section 201H-38, Hawaii Revised Statutes (August 2010), and obtained additional reports to respond to the Executive Officer's request for additional information pertaining to provisions in the Sections stated in the above heading. The supplemental information prepared by Mr. Munekiyo is attached hereto as **Exhibit "14"**, which contains the additional reports.

C. <u>UPDATED EXHIBITS AND TABLE OF CONTENTS</u>

Pursuant to the above-mentioned information in Section B, page v. of the Table of Contents for the Petition for District Boundary Amendment; Exhibit "4" (tax key map) and Exhibit "7" (the metes and bounds description of portion of TMK (2) 2-3-001:023)) have been updated and replaced by the following: Table of Contents for the First Amendment to Petition for District Boundary Amendment; and Exhibit "4A" - Updated Tax Key Map delineating the

Petition Area and Exhibit "7A" - Updated metes and bounds description of the portion of TMK (2) 2-3-001:023 in the Petition Area ("Updated Exhibits").

Specifically, Table of Contents for the First Amendment to Petition for District Boundary Amendment has incorporated the Updated Exhibits, as well as new exhibits listed below in Section D.

Exhibit "4A" - Updated Tax Key Map clearly delineates the boundary of the Petition Area.

Exhibit "7A" - Updated Metes and Bounds Description of the portion of TMK (2) 2-3-001:023 in the Petition Area reflects a description signed and stamped by a surveyor and states an accurate area of said portion in the Petition Area.

D. **NEW EXHIBITS**

In addition to the Updated Exhibits listed in Section C, Petitioner respectfully submits the following new exhibits in connection with this First Amendment to Petition:

Exhibit "4B"	Metes and Bounds Map of the Petition Area
Exhibit "4C"	Metes and Bounds Description of Petition Area
Exhibit "4D"	Metes and Bounds Description of Proposed Urban District
Exhibit "4E"	Metes and Bounds Description of Proposed Rural District
Exhibit "14"	Letter by Michael T. Munekiyo of Munekiyo & Hiraga, Inc. dated March 7, 2011, providing supplemental information to SECTION IX , Impacts of the Proposed Development on the Environment; SECTION X , Impacts of the Proposed Development on the Availability or Adequacy of Public Services and Facilities; SECTION XII , Economic Impacts of the Proposed Reclassification or Development; SECTION XIII , Need for Reclassification; SECTION XV , Conformance with the Coastal Zone Management Program
Exhibit "15"	Affidavit of B. Martin Luna Attesting to Service of First Amendment to Petition for District Boundary Amendment

All other exhibits stated herein (Exhibits 1, 2, 3, 5, 6, 8 and 9) and exhibits in the Petition for District Boundary Amendment not otherwise mentioned are current and not affected by the supplemental information.

E. <u>CONCLUSION</u>

Based upon the foregoing, Petitioner respectfully submits the foregoing amendments pursuant to HAR § 15-15-43 for the Commission's review and appropriate action.

DATED: Wailuku, Hawaii, April 8, 2011.

B. MARTIN LUNA

Attorney for Petitioner KULA RIDGE, LLC

BEFORE THE LAND USE COMMISSION

OF THE STATE OF HAWAII

In the Matter of the Petition of) DOCKET NO. A11-790
KULA RIDGE, LLC)
To Amend the Land Use District Boundary of)
Certain Lands Situated at Kula, Island of)
Maui, State of Hawaii, Consisting of 51.025)
Acres from the Agricultural District to the)
Urban and Rural Districts, Tax Map Key Nos.)
2-3-001:174 and 023 (por.).)
)

VERIFICATION OF B. MARTIN LUNA

I, B. MARTIN LUNA, declare that:

- 1. I am the attorney for Petitioner Kula Ridge, LLC in the above-captioned matter.
- 2. I have read the foregoing First Amendment to Petition for District

 Boundary Amendment Filed January 24, 2011, know the contents thereof; and that the contents therein contained are true to the best of my knowledge and belief.

I declare under penalty of law that the foregoing is true and correct.

DATED: Wailuku, Hawaii, April 8, 2011

R MARTINIA

CERTIFICATE OF SERVICE

I hereby certify that due service of a copy of the within document was made by depositing the same with the United States Mail, postage prepaid, or by hand delivery, on April 8, 2011, addressed to:

MARY LOU KOBAYASHI

BY MAIL

Planning Program Administrator

Office of Planning, Land Use Division

State of Hawaii

P. O. Box 2359

Honolulu, Hawaii 96804

BRYAN C. YEE

BY MAIL

Deputy Attorney General

Department of the Attorney General

425 Oueen Street

Honolulu, Hawaii 96813

WILLIAM SPENCE

BY MAIL

Director, Planning Department

County of Maui

250 South High Street

Wailuku, Hawaii 96793

PLANNING COMMISSION

BY MAIL

County of Maui

250 South High Street

Wailuku, Hawaii 96793

PATRICK WONG

BY MAIL

Corporation Counsel

Department of the Corporation Counsel

County of Maui

200 South High Street

Wailuku, Maui, Hawaii 96793

MAUI ELECTRIC COMPANY, LIMITED BY MAIL

Attention: Dan Takahata

P. O. Box 398

Kahului, Hawaii 96733-6898

HAWAIIAN TELCOM INC.

Attention: Legal Department

P. O. Box 2200

Honolulu, Hawaii 96816

KULA RIDGE MAUKA, LLC 2145 Wells Street, Suite 301 Wailuku, Hawaii 96793 BY MAIL

BY HAND DELIVERY

DATED: Wailuku, Hawaii, April 8, 2011.

B. MARTIN LUNA

Attorney for Petitioner KULA RIDGE, LLC

Exhibit "4A"

Updated Tax Key Map Delineating the Petition Area - TMK (2) 2-3-001

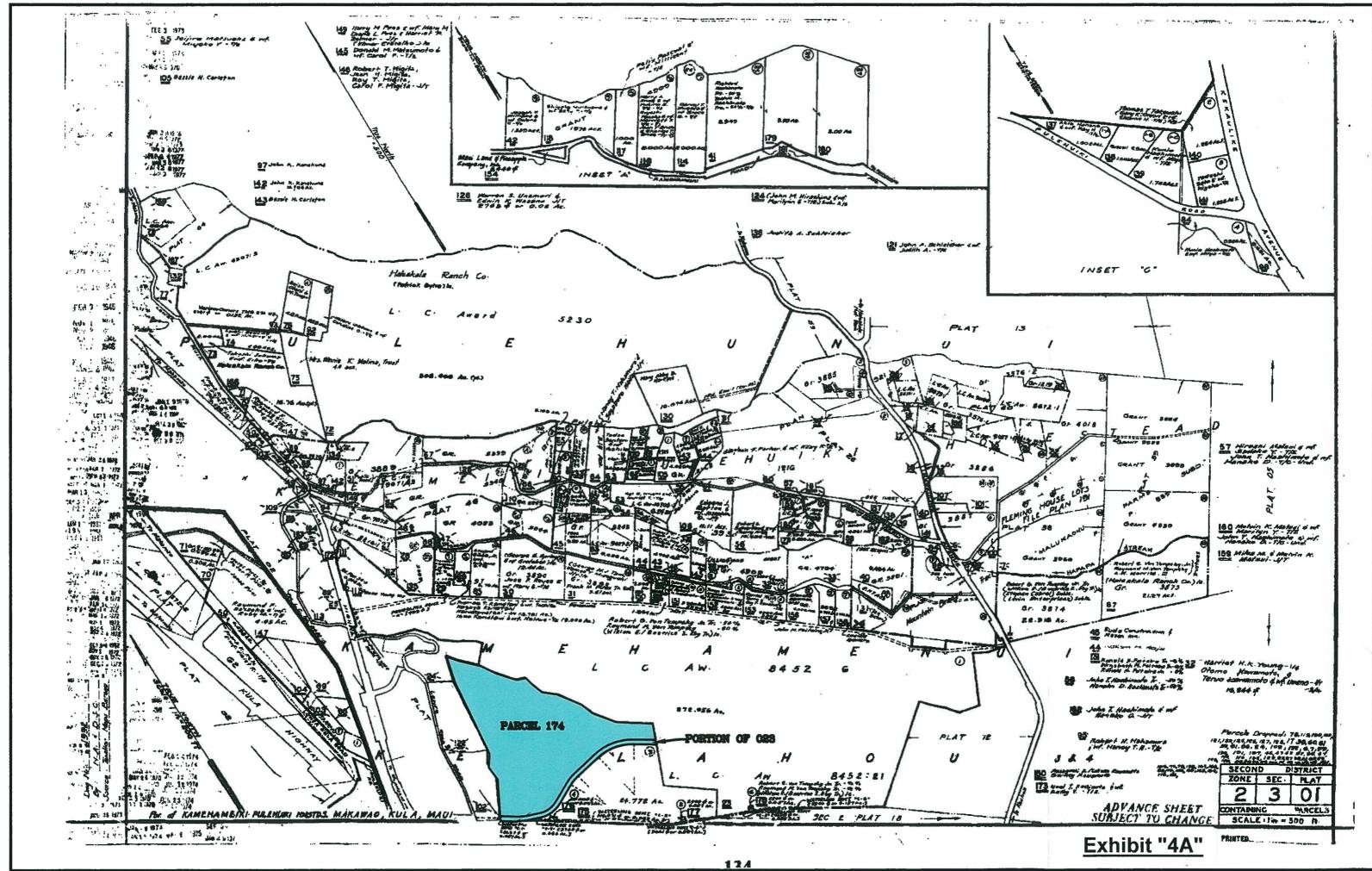


Exhibit "4B"

Metes and Bounds Map of the Petition Area

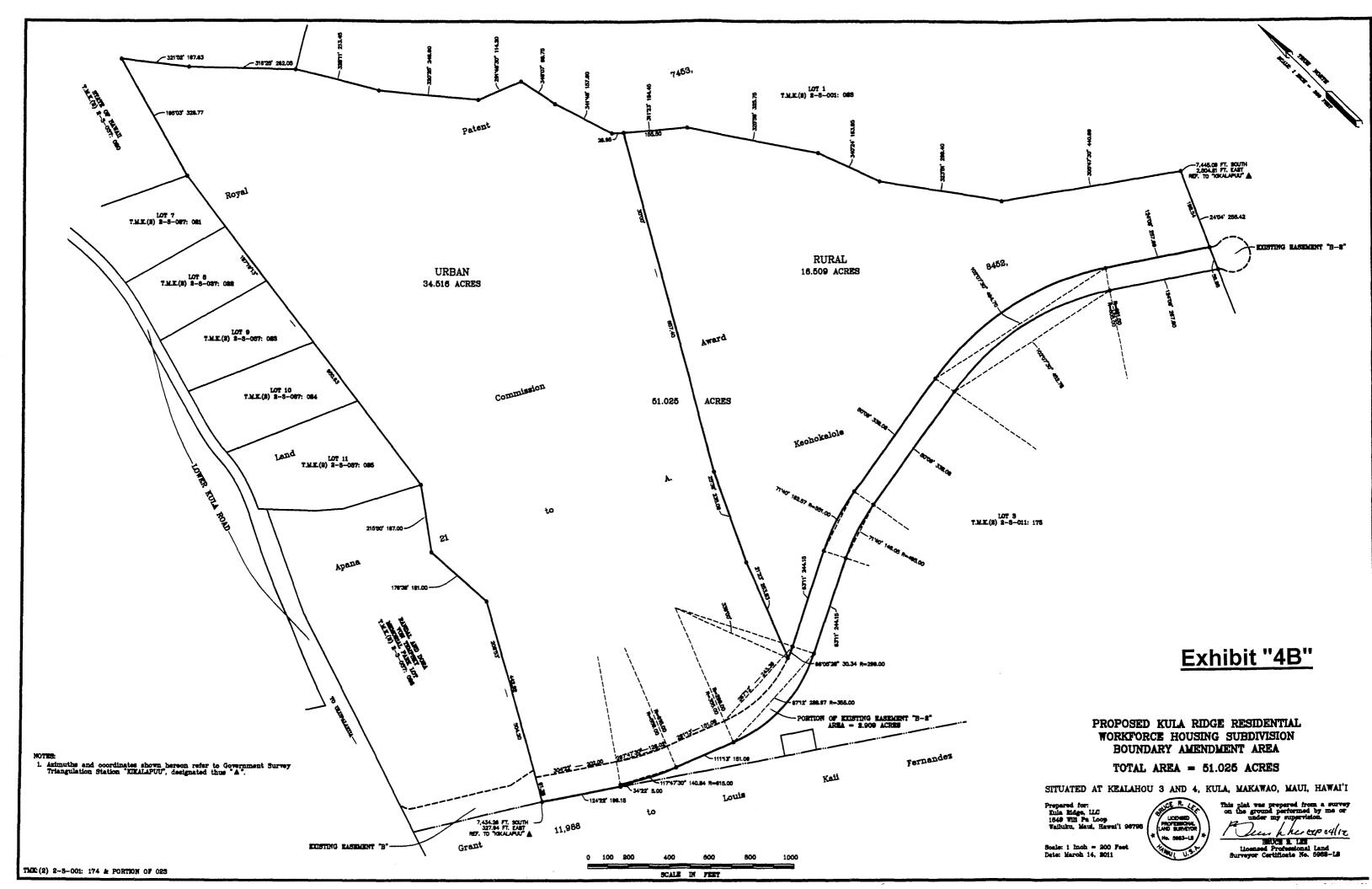


Exhibit "4C"

Metes and Bounds Description of Petition Area

DESCRIPTION KULA RIDGE RESIDENTIAL WORKFORCE HOUSING BOUNDARY AMENDMENT AREA

[Tax Map Key: (2) 2-3-001: 174 and Portion of 023]

All of that certain parcel of land, being the Kula Ridge Residential Workforce Housing Boundary Amendment Area, being all of Lot 2 and a portion of Lot 1 of said G and R Von Tempsky Trust Subdivision, also being a portion of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole, situated at Kealahou 3 and 4, Kula, Makawao, Island and County of Maui, State of Hawai'i and being more particularly described as follows:

Beginning at the west corner of this parcel of land, on the northeasterly boundary of Grant 11988 to Louis Kaii Fernandez, said point also being the south corner of the Randal and Dora Von Tempsky Memorial Park Lot, the coordinates of said point of beginning referred to Government Survey Triangulation Station "KIKALAPUU" being:

7,434.26 feet South 327.94 feet East

and running by azimuths measured clockwise from true South:

1.	208° 53' 00"	504.20	feet along said Randal and Dora Von Tempsky Memorial Park Lot, along the remainder of said Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole;
2.	176° 36' 00"	181.00	feet along said Randal and Dora Von Tempsky Memorial Park Lot, along the remainder of said Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole;
3.	215° 50' 00"	167.00	feet along said Randal and Dora Von Tempsky Memorial Park Lot, along the remainder of said Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole to the south corner of Lot 11 of the Kealahou Subdivision, File Plan 829;
4.	187° 19' 13"	950.63	feet along said Lots 11, 10, 9, 8 and 7 of said Kealahou Subdivision, File Plan 829, along the remainder of said Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole to the south corner of land owned by the State of Hawai'i;
5.	195° 03' 00"	328.77	feet along said land owned by the State of Hawai'i;

6.	321° 52′ 00″	167.63	feet along said land owned by the State of Hawai'i;
7.	316° 25′ 00"	262.05	feet along said land owned by the State of Hawai'i to a point on the northwesterly boundary of Lot 1 of the G and R Von Tempsky Trust Subdivision;
8.	328° 11' 00"	213.45	feet along Lot 1 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole;
9.	320° 25' 00"	246.90	feet along Lot 1 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole;
10.	291° 46′ 30″	114.20	feet along Lot 1 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole;
11.	34 8° 07' 00"	99.75	feet along Lot 1 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole;
12.	341° 48′ 00"	157.60	feet along Lot 1 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole;
13.	311° 23' 00"	184.45	feet along Lot 1 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole;
14.	325° 56' 00"	325.75	feet along Lot 1 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole;
15.	340° 24' 00"	163.95	feet along Lot 1 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole;

16.	323° 51' 00"	299.40	feet along Lot 1 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole;
17.	305° 47′ 30"	440.69	feet along Lot 1 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole;
18.	24° 04' 00"	255.42	feet along Lot 1 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole to the east corner of Lot 3 of the G and R Von Tempsky Trust Subdivision;
19.	124° 06' 00"	267.60	feet along Lot 3 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole;

Thence along Lot 3 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole on the arc of a curve to the left, concave southwesterly with a radius of 605.00 feet, the chord azimuth and distance being:

20.	102° 07' 30"	452.78	feet;
21.	80° 09' 00"	338.08	feet along Lot 3 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole;

Thence along Lot 3 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole on the arc of a curve to the left, concave southeasterly with a radius of 495.00 feet, the chord azimuth and distance being:

22.	71° 40′ 00"	146.05	feet;
23.	63° 11' 00"	244.15	feet along Lot 3 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole;

Thence along Lot 3 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole on the arc of a curve to the right, concave northerly with a radius of 355.00 feet, the chord azimuth and distance being:

24. 87° 12' 00" 288.97 feet;

25. 111° 13' 00"

151.09 feet along Lot 3 of the G and R Von Tempsky Trust
Subdivision, along the remainder of Royal Patent 7453,
Land Commission Award 8452, Apana 21 to A.
Keohokalole;

Thence along Lot 3 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole on the arc of a curve to the right, concave northeasterly with a radius of 615.00 feet, the chord azimuth and distance being:

26. 117° 47' 30" 140.84 feet;

27. 34° 22' 00"

5.00 feet along Lot 3 of the G and R Von Tempsky Trust
Subdivision, along the remainder of Royal Patent 7453,
Land Commission Award 8452, Apana 21 to A.
Keohokalole to a point on the northeasterly boundary of

Grant 11988 to Louis Kaii Fernandez;

28. 124° 22' 00" 196.15 feet along Grant 11988 to Louis Kaii Fernandez to the point of beginning and containing an area of 51.025 Acres, more or less.

Prepared by:

NEWCOMER-LEE LAND SURVEYORS, INC., a Hawai'i Corporation

LICENSED PROFESSIONAL

No. 5983-LS

MAIL U.S.P

This description was prepared from a survey on the ground performed by me or under my supervision.

Court & Lu car 04//2

Licensed Professional Land
Surveyor Certificate No. 5983-LS

REVISED: 3/30/11 NIA/AFFORDABLE HOUSING File 07-7509 07-7509 NAI-LUC Boundary Amendment Perimeter

Exhibit "4D"

Metes and Bounds Description of Proposed Urban District

DESCRIPTION KULA RIDGE RESIDENTIAL WORKFORCE HOUSING BOUNDARY AMENDMENT URBAN AREA

[Tax Map Key: (2) 2-3-001: Portion 174 and Portion of 023]

All of that certain parcel of land, being the Kula Ridge Residential Workforce Housing Boundary Amendment Urban Area, being all a portion of Lot 1 and a portion of Lot 2 of the G and R Von Tempsky Trust Subdivision, also being a portion of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole, situated at Kealahou 3 and 4, Kula, Makawao, Island and County of Maui, State of Hawai'i and being more particularly described as follows:

Beginning at the west corner of this parcel of land, on the northeasterly boundary of Grant 11988 to Louis Kaii Fernandez, said point also being the south corner of the Randal and Dora Von Tempsky Memorial Park Lot, the coordinates of said point of beginning referred to Government Survey Triangulation Station "KIKALAPUU" being:

7,434.26 feet South 327.94 feet East

504.20 Contains will be detailed by Van Tenneder Managini

and running by azimuths measured clockwise from true South:

1.	208° 53′ 00"	504.20	leet along said Randal and Dora Von Tempsky Memorial Park Lot, along the remainder of said Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole;
2.	176° 36′ 00"	181.00	feet along said Randal and Dora Von Tempsky Memorial Park Lot, along the remainder of said Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole;
3.	215° 50' 00"	167.00	feet along said Randal and Dora Von Tempsky Memorial Park Lot, along the remainder of said Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole to the south corner of Lot 11 of the Kealahou Subdivision, File Plan 829;
4.	187° 19' 13"	950.63	feet along said Lots 11, 10, 9, 8 and 7 of said Kealahou Subdivision, File Plan 829, along the remainder of said Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole to the south corner of land owned by the State of Hawai'i;

5.	195° 03' 00"	328.77	feet along said land owned by the State of Hawai'i;
6.	321° 52′ 00"	167.63	feet along said land owned by the State of Hawai'i;
7.	316° 25' 00"	262.05	feet along said land owned by the State of Hawai'i to a point on the northwesterly boundary of Lot 1 of the G and R Von Tempsky Trust Subdivision;
8.	328° 11' 00"	213.45	feet along Lot 1 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole;
9.	320° 25' 00"	246.90	feet along Lot 1 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole;
10.	291° 46′ 30″	114.20	feet along Lot 1 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole;
11.	348° 07' 00"	99.75	feet along Lot 1 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole;
12.	341° 48' 00"	157.60	feet along Lot 1 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole;
13.	311° 23' 00"	28.95	feet along Lot 1 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A, Keohokalole;
14.	30° 00' 00"	857.40	feet along the remainder of Lot 2 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole;

15.	25° 36′ 00"	235.09	feet along the remainder of Lot 2 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole;
16,	21° 23' 00"	253,83	feet along the remainder of Lot 2 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole;

Thence along the remainder of Lot 2 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole on the arc of a curve to the left, concave northwesterly with a radius of 299.00 feet, the chord azimuth and distance being:

17.	246° 05' 28"	30.34	feet;
18.	243° 11′ 00"		feet along the remainder of Lot 2 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole;

Thence along the remainder of Lot 2 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole on the arc of a curve to the right, concave southeasterly with a radius of 551.00 feet, the chord azimuth and distance being:

19.	251° 40′ 00"	162.57	feet;
20.	260° 09' 00"	338.08	feet along the remainder of Lot 2 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole;

Thence along the remainder of Lot 2 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole on the arc of a curve to the right, concave southwesterly with a radius of 661.00 feet, the chord azimuth and distance being:

21.	282° 07' 30"	494.70	feet;
22.	304° 06' 00"		feet along the remainder of Lot 2 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole;

23. 24° 04' 00"
 56.88 feet along the remainder of Lot 1 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole to the east corner of Lot 3 of the G and R Von Tempsky Trust Subdivision;
 24. 124° 06' 00"
 267.60 feet along Lot 3 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453,

Land Commission Award 8452, Apana 21 to A. Keohokalole;
he G and R Von Tempsky Trust Subdivision, along the remainder

Thence along Lot 3 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole on the arc of a curve to the left, concave southwesterly with a radius of 605.00 feet, the chord azimuth and distance being:

25. 102° 07' 30"
452.78 feet;
26. 80° 09' 00"
338.08 feet along Lot 3 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453,

Land Commission Award 8452, Apana 21 to A. Keohokalole;

Thence along Lot 3 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole on the arc of a curve to the left, concave southeasterly with a radius of 495.00 feet, the chord azimuth and distance being:

27.. 71° 40' 00" 146.05 feet;

28. 63° 11' 00"

244.15 feet along Lot 3 of the G and R Von Tempsky Trust
Subdivision, along the remainder of Royal Patent 7453,
Land Commission Award 8452, Apana 21 to A.
Keohokalole;

Thence along Lot 3 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole on the arc of a curve to the right, concave northerly with a radius of 355.00 feet, the chord azimuth and distance being:

29. 87° 12′ 00" 288.97 feet;

30. 111° 13' 00"

151.09 feet along Lot 3 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453,

Land Commission Award 8452, Apana 21 to A. Keohokalole;

Thence along Lot 3 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole on the arc of a curve to the right, concave northeasterly with a radius of 615.00 feet, the chord azimuth and distance being:

31. 117° 47' 30" 140.84 feet;

32. 34° 22' 00"

5.00 feet along Lot 3 of the G and R Von Tempsky Trust
Subdivision, along the remainder of Royal Patent 7453,
Land Commission Award 8452, Apana 21 to A.
Keohokalole to a point on the northeasterly boundary of
Grant 11988 to Louis Kaii Fernandez;

33. 124° 22' 00" 196.15 feet along Grant 11988 to Louis Kaii Fernandez to the point of beginning and containing an area of 34.516 Acres, more or less.

Prepared by:

NEWCOMER-LEE LAND SURVEYORS, INC., a Hawai'i Corporation

LICENSED
PROFESSIONAL
LAND SURVEYOR
NO. 5983-L8

3/25/11 NIA/AFFORDABLE HOUSING File 07-7509 07-7509 NAI-LUC Boundary Amendment Urban Area This description was prepared from a survey on the ground performed by me or under my supervision.

BRUCE R. LEE

Licensed Professional Land Surveyor Certificate No. 5983-LS

Exhibit "4E"

Metes and Bounds Description of Proposed Rural District

DESCRIPTION KULA RIDGE RESIDENTIAL WORKFORCE HOUSING BOUNDARY AMENDMENT RURAL AREA

[Tax Map Key: (2) 2-3-001: Portion of 174]

All of that certain parcel of land, being the Kula Ridge Residential Workforce Housing Boundary Amendment Rural Area, being a portion of Lot 2 of the G and R Von Tempsky Trust Subdivision, also being a portion of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole, situated at Kealahou 3 and 4, Kula, Makawao, Island and County of Maui, State of Hawai'i and being more particularly described as follows:

Beginning at the east corner of this parcel of land, on the southwesterly boundary of Lot 1 of the G and R Von Tempsky Trust Subdivision, the coordinates of said point of beginning referred to Government Survey Triangulation Station "KIKALAPUU" being:

7,445.09 feet South 2,504.81 feet East

and running by azimuths measured clockwise from true South:

1.	24° 04′ 00"	198.54	feet along Lot 1 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole;
_			

2. 124° 06' 00"

257.69 feet along Lot 1 of the G and R Von Tempsky Trust
Subdivision, along the remainder of Royal Patent 7453,
Land Commission Award 8452, Apana 21 to A.
Keohokalole;

Thence along Lot 1 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole on the arc of a curve to the left, concave southwesterly with a radius of 661.00 feet, the chord azimuth and distance being:

3.	102° 07′ 30″	494.70	feet;
4.	80° 09' 00"	338.08	feet along Lot 1 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A.

Keohokalole;

Thence along Lot 1 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole on the arc of a curve to the left, concave southeasterly with a radius of 551.00 feet, the chord azimuth and distance being:

5. 71° 40′ 00″
6. 63° 11′ 00″
244.15 feet along Lot 1 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole;

Thence along Lot 1 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole on the arc of a curve to the right, concave northwesterly with a radius of 299.00 feet, the chord azimuth and distance being:

7.	66° 05' 28"	30.34	feet;
8.	201° 23' 00"	253.83	feet along the remainder of Lot 2 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole;
9.	205° 36′ 00"	235.09	feet along the remainder of Lot 2 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole;
10.	210° 00' 00"	857.40	feet along the remainder of Lot 2 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole to a point on the southwesterly boundary of Lot 1 of the G and R Von Tempsky Trust Subdivision;
11.	311° 23' 00"	155.50	feet along Lot 1 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole;
12.	325° 56′ 00″	325.75	feet along Lot 1 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole;

13.	340° 24' 00"	163.95	feet along Lot 1 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole;
14.	323° 51' 00"	299.40	feet along Lot 1 of the G and R Von Tempsky Trust

299.40 feet along Lot 1 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to Λ. Keohokalole;

15. 305° 47′ 30″ 440.69 feet along Lot 1 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole to the point of beginning and containing an area of 16.509 Acres, more or less.

Prepared by:

NEWCOMER-LEE LAND SURVEYORS, INC., a Hawai'i Corporation

LICENSED PROFESSIONAL LAND SURVEYOR No. 5983-LS

This description was prepared from a survey on the ground performed by me or under my supervision.

BRUCE R. LEE

Licensed Professional Land Surveyor Certificate No. 5983-LS

e 640 04/12

3/25/11 NIA/AFFORDABLE HOUSING File 07-7509 07-7509 NAI-LUC Boundary Amendment Rural Area

Exhibit "7A"

Updated Metes and Bounds Description of the Portion of TMK (2) 2-3-001:023 in the Petition Area

DESCRIPTION

PORTION OF EASEMENT "B-2" (FOR ACCESS AND UTILITY PURPOSES)

AFFECTING LOT 1 OF THE "G AND R. VON TEMPSKY TRUST SUBDIVISION [Tax Map Key: (2) 2-3-001: Portion of 023]

All of that certain easement, being a portion of Easement "B-2" for access and utility purposes over, under and across a portion of Lot 1 of the G and R Von Tempsky Trust Subdivision, also being a portion of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole, situated at Kealahou 3 and 4, Kula, Makawao, Island and County of Maui, State of Hawai'i and being more particularly described as follows:

Beginning at the west corner of this easement, on the northeasterly boundary of Grant 11988 to Louis Kaii Fernandez, said point also being the south corner of the Randal and Dora Von Tempsky Memorial Park Lot, the coordinates of said point of beginning referred to Government Survey Triangulation Station "KIKALAPUU" being:

7,434.26 feet South 327.94 feet East

and running by azimuths measured clockwise from true South:

1.	208° 53' 00"	61.28	feet along the Randal and Dora Von Tempsky Memorial Park Lot, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole to the west corner of Lot 2 of the G and R Von Tempsky Trust Subdivision;
2.	304° 22' 00"	202.00	feet along Lot 2 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole;

Thence along Lot 2 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole on the arc of a curve to the left, concave northeasterly with a radius of 559.00 feet, the chord azimuth and distance being:

3.	297° 47′ 30"	128.02	feet;
4.	291° 13′ 00"	151.09	feet along Lot 2 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole;

Thence along Lot 2 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole on the arc of a curve to the left, concave northerly with a radius of 299.00 feet, the chord azimuth and distance being:

5. 267° 12′ 00″
6. 243° 11′ 00″
244.15 feet along Lot 2 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole;

Thence along Lot 2 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole on the arc of a curve to the right, concave southeasterly with a radius of 551.00 feet, the chord azimuth and distance being:

7. 251° 40′ 00″
8. 260° 09′ 00″
338.08 feet along Lot 2 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole;

Thence along Lot 2 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole on the arc of a curve to the right, concave southwesterly with a radius of 661.00 feet, the chord azimuth and distance being:

9.	282° 07' 30"	494.70	feet;
10.	304° 06' 00"	257.69	feet along Lot 2 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole;
11.	24° 04' 00"	56.88	feet along Lot 1 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole to the east corner of Lot 3 of the G and R Von Tempsky Trust Subdivision;
12.	124° 06' 00"	267.60	feet along Lot 3 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453,

Land Commission Award 8452, Apana 21 to A. Keohokalole;

Thence along Lot 3 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole on the arc of a curve to the left, concave southwesterly with a radius of 605.00 feet, the chord azimuth and distance being:

13. 102° 07' 30"
452.78 feet;
14. 80° 09' 00"
338.08 feet along Lot 3 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole;

Thence along Lot 3 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole on the arc of a curve to the left, concave southeasterly with a radius of 495.00 feet, the chord azimuth and distance being:

15. 71° 40′ 00″
146.05 feet;
16. 63° 11′ 00″
244.15 feet along Lot 3 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole;

Thence along Lot 3 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole on the arc of a curve to the right, concave northerly with a radius of 355.00 feet, the chord azimuth and distance being:

17. 87° 12' 00"
18. 111° 13' 00"
151.09 feet along Lot 3 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole;

Thence along Lot 3 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole on the arc of a curve to the right, concave northeasterly with a radius of 615.00 feet, the chord azimuth and distance being:

			~
19.	117° 47' 30"	140.84	feet;

- 20. 34° 22' 00"
- 5.00 feet along Lot 3 of the G and R Von Tempsky Trust Subdivision, along the remainder of Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole to a point on the northeasterly boundary of Grant 11988 to Louis Kaii Fernandez;
- 21. 124° 22' 00"
- 196.15 feet along Grant 11988 to Louis Kaii Fernandez to the point of beginning and containing an area of 2.909 Acres, more or less.

Prepared by:

NEWCOMER-LEE LAND SURVEYORS, INC., a Hawai'i Corporation



This description was prepared from a survey on the ground performed by me or under my supervision.

BRUCE R. LEE

(210 04/1Z

Licensed Professional Land Surveyor Certificate No. 5983-LS

3/31/11 NIA/AFFORDABLE HOUSING File 07-7509 07-7509 NAI-LUC Boundary Amendment Portion Easement B-2

Exhibit "14"

Letter by Michael T. Munekiyo of Munekiyo & Hiraga, Inc. dated March 7, 2011, providing supplemental information to **SECTION IX**, Impacts of the Proposed Development on the Environment; **SECTION X**, Impacts of the Proposed Development on the Availability or Adequacy of Public Services and Facilities; **SECTION XII**, Economic Impacts of the Proposed Reclassification or Development; **SECTION XIII**, Need for Reclassification; **SECTION XV**, Conformance with the Coastal Zone Management Program





March 7, 2011

B. Martin Luna, Esq. Carlsmith Ball One Main Plaza 2200 Main Street, Suite 400 Wailuku, Hawaii 96793

SUBJECT: Kula Ridge Affordable Housing

HIRAGA, INC.

Docket No. A11-790/Kula Ridge LLC

Dear Mr. Luna:

We have received a copy of the Land Use Commission staff comments regarding the subject petition, as set forth in their letter dated February 9, 2011. We are providing responses to Comment Nos. 3, 4, 5 and 6 for your review and transmittal to the LUC.

RESPONSE TO COMMENT NO. 3: DISCUSSION OF HOUSING PROJECT MODIFICATIONS AND THE NEED TO PROVIDE UPDATED STUDIES AND ANALYSIS

a. <u>Grading, Best Management Practices, Infrastructure, Drainage and</u> Traffic

The housing product modifications involve the replacement of 34 single family affordable housing units with 34 affordable senior duplex units. The product adjustment is intended to address the expressed need for senior housing units in the Upcountry area (as supported by the Kula AARP). The senior duplex units have been integrated into the overall site plan without modifications to subdivision roadway designs and alignments. The impacts to grading and engineering design parameters for onsite infrastructure, therefore, will not be affected by the housing product modifications. In addition, infrastructure system demands such as water use and wastewater generation is not anticipated to be affected by the replacement of the 34 single family units with the 34 senior duplex units. Overall drainage impacts and applicable Best Management Practices will also not be affected by the housing product modification.

Exhibit "14"

With respect to traffic impacts, a supplemental traffic letter report was prepared by Wilson Okamoto Corporation in September 2009 to analyze the project with respect to school peak hour traffic. The commuter peak hour traffic was also revisited as part of this study. The letter report included the collection of updated traffic counts and included an updated level of service analysis. The result of the supplemental study indicates that with the implementation of the proposed recommendations, the project is not expected to have a significant impact on vehicular and pedestrian traffic operations. The supplemental report has been incorporated into Section 10 of the County Section 201H application document.

b. Groundwater Resources and Civil Defense Facilities

The subject property is not within the limits of a groundwater aquifer under the management authority of the Commission on Water Resource Management. We note that during the initial analysis of drinking water supply for the project, a proposal for development of a well source on the adjacent Kula Ridge Mauka property was considered. See **Exhibit "A"**. Drinking water quality from that well was anticipated to meet state and federal drinking water standards and coordination with the Department of Water Supply (DWS) was undertaken to discuss the opportunities for source dedication to the County of Maui. The DWS decided not to pursue the dedication scenario based on production well and operational considerations. In particular, the well depth of 2,900 feet was greater than other DWS wells which held implications for electricity costs associated with pumping.

With respect to civil defense facilities, a review of the State of Hawaii, Civil Defense Agency's 2010 Hazard Mitigation Plan was undertaken. This report notes the following:

The State of Hawaii's Multi-Hazard Mitigation Plan was formally approved on October 27, 2004, and the update in 2007 was approved on October 24, 2007. The Disaster Mitigation Act of 2000 requires that the state plan is updated every three years to maintain eligibility for disaster assistance. Local county mitigation plans must be updated every five years. The original State plan utilized efforts of the counties in preparing local mitigation plans. In addition, the State plan references several specific sectoral mitigation

plans, such as the flood mitigation plan and the drought mitigation plan. The mitigation planning requirements change the way that Hawai'i envisions the mitigation planning process.

For the mitigation plan update process requirement for 2010, the state applied the criteria of including the best available data in the plan. With disaster declarations, fire emergency declarations, and drought declarations in the last three years, some of the data needed significant updating. Rapid assessment reports indicated that much of the baseline data changed and several in-depth studies were proposed. Results of studies on structural risk and wind risk have been incorporated into the risk and vulnerability assessments, and have been used to develop stricter building codes.

Strategies for hazard mitigation address goals and objectives designed to improve safety and security of Hawaii from natural and human induced disaster threats, including but not limited to hurricanes, tsunami, floods, coastal erosion, landslides and wildfire. While there are no specific facility-based issues noted for the vicinity of the Kula Ridge project, the State Hazard Mitigation plan does recognize the role of county-level muti-hazard mitigation plans.

In this connection the County of Maui's Multi-Hazard Mitigation Plan (2010) was reviewed with respect to specific projects or facilities which may affect the proposed Kula Ridge project. Specific prioritized mitigation actions are contained in Chapter 19 of the County plan. The actions related to hazard parameters which include infrastructure facilities, building facilities, hurricane, flooding, tsunami and earthquake related actions, among others. There are no projects listed on the prioritized list of mitigation actions which would be affected by the proposed Kula Ridge project.

c. Air Impacts

The major potential short-term air quality impact of the project will occur from the emission of fugitive dust during construction. In addition to regular watering and sprinkling, the following measures will be implemented by the applicant's contractor during construction activities to

minimize the proliferation of fugitive dust, in accordance with Hawaii Administrative Rules, Chapter 11-60.1, Air Pollution Control.

Use of wind screens and/or limiting the area that is disturbed at any given time will help to contain fugitive dust emissions. Wind erosion of inactive areas of the site that have been disturbed could be controlled by mulching. Trucks hauling soil material would be covered to mitigate dust. A routine road cleaning and tire washing program would help reduce fugitive dust emissions from trucks/vehicles tracking dirt onto nearby paved roadways. Installation of landscaping early in the construction schedule will also help to control dust.

During the construction phase, emissions from engine exhaust will occur from onsite construction equipment and other construction related vehicles. Increased vehicular emissions due to traffic disruptions by construction equipment or vehicles entering/exiting the site can be mitigated by moving equipment during off-peak hours. Construction related emissions would be limited to the construction period of the project.

The long-term, post-construction effects of the project on the region's air quality are not anticipated to be significant or adverse. This conclusion is based on the area's current air quality conditions which can be characterized as excellent. There are no point sources of emissions in the project area and agricultural uses on surrounding lands are primarily associated with grazing and small farm operations. There are no sugar cane fields in close proximity to the project site, which would be a source of smoke and dust associated with cane burning.

The other source of air quality pollutants arising from a new residential development is that generated by project traffic. While air quality modeling was not performed for the Kula Ridge project, a review of the Kapalua Project District 2 Air Quality Study (B.D. Neal & Associates, 2001) provides a comparable basis for assessing traffic-related air impacts. With regard to the Kula Ridge project, trip generation, the parameter used for modeling purposes, shows that morning and afternoon peak hour trips are 91 trips (in and out) and 123 trips (in and out), respectively. The Kapalua Project District 2 trips for morning and afternoon peak hours were 166 and 247, respectively. With this significantly higher trip count for the Kapalua Project District 2, there are no adverse impacts reflected by the modeling process. The Kapalua Project District 2 Air Quality Study concludes that

with this level of new morning and afternoon trips (attributed to the Kapalua Project District 2 proposed action) there would be on increase in carbon monoxide concentrations in some of the nearby intersections, but air quality should nonetheless be well within both state and national ambient air quality standards. Comparatively assessed, the Kula Ridge traffic is not anticipated to create air quality impacts which would be detrimental to public health.

d. Noise Impacts

Development of the project will entail typical construction activities including excavation, grading, and the use of construction equipment (e.g. bulldozers, front-end loaders, and diesel-powered trucks). Noise from such construction activities would be short term and must comply with the State DOH noise regulations. Should noise during the construction phase of the project exceed the maximum allowable levels, a noise permit may be required.

A review of relevant noise studies revealed that, for residential exterior environmental noise, a day-night average sound level should not exceed 65 dBA, according to the U.S. Department of Housing and Urban Development and the U.S. Environmental Protection Agency. According to data from the Kapalua Mauka Final Environmental Impact Statement (Kapalua Project District 2), prepared by PBR Hawaii in November 2002, based on this acoustical standard, traffic noise from Honoapiilani Highway may impact residential properties located within 75 feet of the highway.

As a further measure of comparison, the noise study for the proposed Maui Lani Shopping Center was reviewed (Y. Ebisu & Associates, January 15, 2010). This study measured existing noise levels from Kaahumanu Avenue to various points within the proposed shopping center site. Kaahumanu Avenue is a high volume arterial that connects Wailuku and Kahului. Noise measurements from Kaahumanu Avenue to points within the shopping center site, approximately 600 feet away from the roadway indicates that ambient noise levels predominantly fall within the acceptable range of 50 to 55 dB during the day and 40 to 50 dB during the night. By comparison, the Kula Ridge project is located approximately 1,200 feet from Kula Highway (at its nearest point), and approximately 350 feet from Lower Kula Road (at its nearest point). It is noted that Lower Kula Road is a lower volume and lower speed collector road. In light of the foregoing

spatial relationships, there are no anticipated adverse noise relationships between the project and nearby roadways.

RESPONSE TO COMMENT NO. 4: ADDITIONAL DISCUSSION RELATING TO FISCAL IMPACTS

A preliminary fiscal impact analysis has been developed to indicate the relative impacts of the project to various economic parameters. The results of this anlaysis is presented in **Exhibit "B"**.

RESPONSE TO COMMENT NO. 5: UPDATED DISCUSSION RELATING TO RELATIONSHIP OF THE PROJECT TO OTHER PROJECTS EXISTING OR PROPOSED AND CONSIDERATION OF OTHER SIMILARLY DESIGNATED LAND IN THE AREA

Since the Final Environmental Assessment (EA) was completed in 2008, there have been no changes to in the surrounding environment in terms of new proposal for residential development. The adjacent Kula Ridge Mauka project, a 21 lot agricultural subdivision adjacent to the Kula Ridge property was recognized in the Final EA document and continues to be processed as a 21 lot agricultural subdivision. Thus, project demand parameters for the proposed action has not changed since 2008.

The project as currently proposed includes a total of 116 units. Fifty nine (59) units or 51 percent of the total would fall within the affordable category, as defined by the County of Maui. The total unit count and percentage of units to be set aside as affordable for the Kula Ridge project, has not changed since the project was initially proposed. Of the 59 affordable units, 34 are set aside as senior duplex units. The 34 duplex units reflect a product modification, with these senior duplex units replacing 34 single family affordable units originally proposed. The inclusion of the senior duplex units does not change the overall project need, except that the senior market is now being addressed by the project.

There continues to be a need for the project as demonstrated by testimony offered during the County's 201H application, which included the 34 senior duplex units. In approving the project, the Council acknowledged that the affordable units would include the 34 senior duplex units, and that the project would provide needed affordable housing inventory for Maui residents. A copy of the Council's resolution is attached hereto as **Exhibit "C"**.

RESPONSE TO COMMENT NO. 6: RELATING TO COASTAL ZONE MANAGEMENT OBJECTIVES AND POLICIES

We note your comment regarding the scope of the Coastal Zone Management (CZM) Program as, cited on page 23 of the petition document. We understand that the Hawaii CZM program considers the CZM area to include "all lands of the State and the area extending seaward from the shoreline to the limit of State's police power and management authority, including the United States territorial sea". In this regard the Final Environmental Assessment incorporated an analysis of the project's compliance with the objectives and polices set forth in Chapter 205 a Hawaii Revised Statutes (HRS). In reviewing this analysis, we note that the proposed housing modification to replace 34 single family affordable units with 34 senior duplex affordable units does not alter Chapter 205A, HRS compliance analysis.

If there are any questions relating to the foregoing responses or if additional information is needed, please do not hesitate to call.

Very truly yours,

Michael T. Munekiyo, AICP Principal

MTM:yp Enclosures

cc; Clayton Nishikawa, Kula Ridge, LLC (w/enclosures) F:\DATA\Nishikawa\KulaAH 1107\Martin.LUCrestocomment.doc

EXHIBIT "A"

Letter Dated July 7, 2008 from Mink & Yuen, Inc., Addressing Hydrogeoligic Parameters

Mink & Yuen, Inc.

1670 Kalakaua Avenue • Suite 605 • Honolulu, Hawaii 96826 • Telephone: (808) 943-1822 • Fax: (808) 943-1821

July 7, 2008

Mr. Clayton Nishikawa Kula Ridge Mauka LL.C 1849 Wili Pa Loop Wailuku, I-II 96793

Re: Response to Comment No. 4 in the April 18, 2008 Letter From the Office of Environmental Quality Control

Dear Mr. Nishikawa:

The proposed well site at 2,900± feet above sea level (ft., msl) for the Kula Ridge and Kula Ridge Mauka subdivision is underlain by very dense lava and impermeable lava flows and weathered pyroclastic deposits known as the Kula Volcanics. These eruptive products are associated with Haleakala's post-caldera volcanic activity. A detailed and careful geologic log of the U. S. Geological Survey's observation well at Waiohuli (4421-01), which is about 3 miles south of proposed well site, showed the Kula Volcanics capping to be 925 ft. thick. It is expected that similar geologic conditions will be found when the subdivision's well is drilled.

Below this dense veneer are thin-bedded basaltic lavas flows associated with the shield-building stage of Haleakala's development. These lavas are known collectively as the Honomanu Basalt. The saturated portion of the Honomanu Basalt lavas will form the permeable aquifer from which the proposed well will develop groundwater. The groundwater aquifer should be basal. Basal aquifers form the most extensive aquifers in the Hawaiian Islands.

Groundwater data collected from recently drilled wells at the 1,800± ft., msl and 2,100± ft., msl elevation, show that the static water level rises about 0.75 ft./mile. The Kula Ridge well site is about one mile up gradient from the Pulehu Farms well, which had a basal water level of 5.64 ft., msl and a ground elevation of 2,125 ft., msl. Therefore if basal conditions remain, the water level should be almost 6.5 ft., msl. Water quality in terms of chloride concentration should also be excellent, as the Pulehu Farms' well had a chloride concentration of 40 mg/L.

The Department of Health's June 29, 2007 variance allows for individual aerobic and chlorine disinfection of wastewater within 1,000 ft. of a drinking water source. In addition to the nature of the Kula Volcanics, the proposed well site is located above and hydrologically up gradient from most of the

subdivision. Therefore, the likelihood of wastewater from the individual systems to percolate through hundreds of feet of impermeable lavas and weathered pyroclastic beds is improbable. Furthermore, the expected depth to the top of the basal aquifer's water table within the Honomanu Basalt is almost 2,900 ft. below the ground surface.

The new well is situated in the southern end of the Makawao Aquifer System. The sustainable yield of the Makawao Aquifer System is 7 million gallons per day (mgd). Reported water use to the Commission on Water Resource Management show that since 2004 the 12-month moving average is about 0.3 mgd, which is 4 percent of the sustainable yield. At the present time pumpage in this aquifer system is concentrated near the towns of Makawao and Pukalani.

If you have any questions, please call me at 943-1822.

Sincerely,

Glenn Bauer, CPG-10855 Sr. Geologist-Hydrologist

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EXHIBIT "B"

Preliminary Economic and Fiscal Impact Analysis

Preliminary Economic and Fiscal Impact Analysis

KULA RIDGE AFFORDABLE HOUSING SUBDIVISION (TMK (2)2-3-001:174 AND 023 (por.))

Prepared for:

Kula Ridge, LLC

March 2011

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Kula Ridge Affordable Housing Subdivision Preliminary Economic and Fiscal Impact Analysis March 2011

This paper provides an analysis of potential economic and fiscal impacts resulting from the development of the proposed Kula Ridge Affordable Housing Subdivision.

A. PROJECT SUMMARY

The proposed Kula Ridge Affordable Housing Subdivision involves the development of a 116 lot subdivision, including 70 affordable single-family homes and senior duplexes, 42 market-rate single-family lots, and four rural lots.

The proportion of residents at the proposed project anticipated to be new inmigrants to Maui is expected to be modest, with the majority of new units expected to be purchased by current residents. The County's Residential Workforce Housing Policy (Chapter 2.96 of the Maui County Code) establishes a priority for existing residents in the selection process for new affordable units. As such, the 70 affordable single-family homes and senior duplexes are assumed to be purchased by current Maui residents. For the purposes of estimating fiscal impacts to the State and County, it is conservatively assumed that 25 percent of the market-rate and rural lots are sold to in-migrants to Maui County. Based on the foregoing assumptions, the proposed project is expected to result in an estimated 12 new households to Maui County. See **Table 1** below.

Table 1. Project In-Migration

Unit Type	Number of Units	In-Migration Percentage	New Maui Households
Market Rate Single-Family	42	25%	11
Rural	4	25%	1
Affordable Single-Family 100%-120% AMI 120%-140% AMI	18 18	0% 0%	0
Subtotal	36	<u> </u>	0
Senior Affordable Duplex			
80%-100% AMI 100%-120% AMI	17 17	0% 0%	0 0
Subtotal	34		0
Total	116		12

B. ECONOMIC IMPACTS

The proposed project will generate short-term economic impacts associated with construction spending and employment. **Table 2** below provides an estimate of total project construction costs associated with the proposed 116 residential units. Construction costs for the affordable single-family and duplex units are based on the proposed development specifications for these housing products. The market-rate and rural lots are being sold as land only and individual buyers will determine home design and cost. As such, the construction cost per unit for the market rate and rural lots are estimates only and will vary for each lot. The total construction cost for the proposed 116 residential units is estimated at \$34.7 million.

Table 2. Project Construction Cost

Unit Type	Quantity	Construction Cost per Unit (a)	Total Construction Cost
Market Rate	42	\$400,000	\$16,800,000
Rural	4	\$750,000	\$3,000,000
Affordable Single-Family 100%-120% AMI 120%-140% AMI	18 18	\$225,000 \$250,000	\$4,050,000 \$4,500,000
Subtotal	36		\$8,550,000
Senior Affordable Duplex 80%-100% AMI 100%-120% AMI	17 17	\$175,000 \$200,000	\$2,975,000 \$3,400,000
Subtotal	34		\$6,375,000
Total	116		\$34,725,000

Notes: (a) Cost for market rate single-family and rural homes are estimates only as individual lot buyers will determine home design and cost.

Sources: Nishikawa Architects, Inc.; Munekiyo & Hiraga, Inc., 2011.

Construction spending associated with the proposed project will create positive short-term economic benefits through increased employment and earnings. The employment generated by the project's \$34.7 million in construction spending was estimated using *The 2005 State Input-Output Study for Hawaii* published by the State of Hawaii Department of Business, Economic Development, and Tourism (DBEDT) in August 2008. **Table 3** illustrates the distribution of the \$34.7 million increase in private investment and associated job impacts. As shown, the construction of the 116 residential units will generate an estimated 352 direct, indirect, and induced jobs.¹

Direct jobs represent the number of people whose work is directly billed to the project. Indirect jobs represent employees working for producers of materials, equipment, and services that are used on the project. Induced jobs are those jobs created when employees go out and spend their increased incomes on consumer goods and services.

Table 3. Economic Impacts of Project Construction Spending

Total Project Construction Cost \$34.7 million									
	Distribution of Private Investment (a)	Increase in Private Investment (in millions \$)	Final Demand Jobs Multipliers (b)	Direct, Indirect, and Induced Jobs					
Agriculture	0.0%	\$0.0	26.0	0.0					
Mining and construction	65.3%	\$22.7	11.8	267.0					
Food processing	0.0%	\$0.0	16.5	0.0					
Other manufacturing	1.3%	\$0.5	5.9	2.7					
Transportation	2.8%	\$1.0	12.3	11.9					
Information	0.0%	\$0.0	10.3	0.0					
Utilities	0.0%	\$0.0	6.0	0.0					
Wholesale trade	2.8%	\$1.0	12.0	11.9					
Retail trade	4.2%	\$1.5	17.3	25.4					
Finance and insurance	0.0%	\$0.0	11.8	0.0					
Real estate and rentals	0.5%	\$0.2	7.5	1.3					
Professional services	5.6%	\$1.9	16.4	31.6					
Business services	0.0%	\$0.0	20.9	0.0					
Educational services	0.0%	\$0.0	22.8	0.0					
Health services	0.0%	\$0.0	17.4	0.0					
Arts and entertainment	0.0%	\$0.0	35.9	0.0					
Accommodation	0.0%	\$0.0	13.7	0.0					
Eating and drinking	0.0%	\$0.0	22.0	0.0					
Other services	0.0%	\$0.0	24.0	0.0					
Government	0.0%	\$0.0	16.0	0.0					
Total intermediate input	82.5%	\$28.6		351.8					
Imports	17.5%	\$6.1							
TOTAL	100.0%	\$34.7		351.8					

Notes: (a) Per the 2005 State Input-Output Study for Hawaii, Condensed Input-Output Transactions Table. (b) Per the 2005 State Input-Output Study for Hawaii, Condensed Employment Multipliers Table. Based on Type II multipliers for 2012. Sources: State Department of Business, Economic Development and Tourism's 2005 State Input-Output Study for Hawaii; Munekiyo & Hiraga, Inc., 2011.

Beyond construction-related economic benefits, the proposed project will positively impact the local economy as new in-migrant households spend money on goods and services.

C. FISCAL IMPACTS

From a long-term operational perspective, the proposed project will result in additional government revenues through various taxes and increased expenditures associated with serving the new project-related Maui County households project.

1. County of Maui

a. Revenues

The County of Maui will realize increased property tax revenue from the proposed project. Property tax revenues for the project are estimated based on the projected assessed value of the houses and lots. As mentioned previously, the market-rate and rural lots are being sold as land only and individual buyers will determine home design and cost. As such, the assessed value per unit for the market rate and rural lots are estimates only and will vary for each lot depending on individual home design. The assessed value for the affordable single-family and senior duplexes is based on the projected unit sales price. The proposed residential units are assumed to be owned and occupied as the homeowners' principal residence, thereby qualifying for a \$300,000 exemption in assessed value per Chapter 3.48.450, Maui County Code.

As shown in **Table 4** below, the proposed project is expected to generate \$152,270 in real property tax revenues for the County annually, based on current homeowner property tax rates and initial project assessed values.

According to staff at the County's Department of Finance Real Property Tax Division, the assessed value for affordable homes is frozen at the affordable sales price for the duration of the required affordability term, after which assessed values revert to market values.

Table 4. County of Maui Property Tax Revenue

Homeowner Property Tax Rate										
	Rate Per \$1,0	00 of Assessed V	/alue (a)							
Land	\$2.50									
Building	\$2.50									
Total	\$5.00									
Annual Property Tax Re	venue									
	Average Assessed Value Per Unit (b)	Less Homeowner Exemption (c)	Property Tax Revenue Per Unit	Total Project Property Tax Revenue						
Market Rate	\$750,000	(\$300,000)	\$2,250	\$94,500						
Rural	\$2,000,000	(\$300,000)	\$8,500	\$34,000						

(\$300,000)

(\$300,000)

(\$300,000)

(\$300,000)

\$423

\$772

\$0

\$134

\$7,605

\$13,887

\$21,492

\$0

\$2,278

\$2,278

\$152,270

Notes: (a) As published by County of Maui, Department of Finance Real Property Tax Division. (b) Assessed value for market rate unites based on assumed value of land and completed home. Value for affordable units based on projected unit sales price. (c) Per Chapter 3.48.450 Maui County Code, real property owned and occupied only as a principal home qualifies for an exemption of \$300,000 in assessed value.

Sources: County of Maui, Nishikawa Architects, Inc.; Munekiyo & Hiraga, Inc., 2011.

\$384,500

\$454,300

\$267,400

\$326,800

In addition to property tax revenues discussed above, the County will receive a nominal amount of other taxes and fees from new households to Maui. This may include various license and permit fees and other charges paid by in-migrant households. These revenues, however, would be minimal compared to real property tax revenues generated by the project.

b. Expenditures

Affordable Single-Family 100%-120% AMI

Senior Affordable Duplex 80%-100% AMI

Subtotal

Subtotal

Total

120%-140% AMI

100%-120% AMI

The County of Maui can expect higher operating expenditures in support of the in-migrant component of the proposed Kula Ridge Subdivision. As discussed previously, the amount of in-migration is expected to be minimal, particularly due to the priority given to current Maui residents in the affordable housing selection process. The number of in-migrant households to Maui as a result of the project is conservatively estimated at 12 new households, or 25 percent of the market rate and rural lots. Refer to **Table 1**. The cost to serve current Maui residents who move into the proposed subdivision are not factored into the project's impact on operating

expenditures because these residents are already being served by the County.

Table 5 below summarizes the impacts to the County's General Fund associated with the proposed project. As shown, the County's fiscal year 2010-2011 budget includes \$323.4 million of General Fund expenditures for various County activities and services. The cost of County functions is allocated on a per household basis based on 2010 population and household estimates for Maui County. It should be noted, however, that not all County functions will be impacted by the proposed project. For example, legislative costs (i.e. the County Council) and capital expenditures are not expected to increase as a result of 12 in-migrant households to the County. General Government expenditures, which cover administrative functions such as the Mayor's Office, Management, Personnel, and Finance, among other departments, are also not anticipated to increase as a result of the proposed project's inmigrant households.

Table 5. County of Maui General Fund Expenditure Impacts

County of Maui Population, 2010										
Population 151,300 per Socio-Economic Forecast, June 2006										
Households	54,036									
General Fund Expenditure Impacts										
	FY 2010- 2011 Budget	Impacted by Project	Existing Cost per Household	Total Project Cost (a)						
Culture and Recreation	\$25,558,817	Yes	\$473.00	\$5,676						
General Government (b)	\$164,221,662	No	\$0.00	\$0						
Highways, Streets and Transportation	\$5,778,848	Yes	\$106.94	\$1,283						
Legislative	\$6,653,930	No	\$0.00	\$0						
Public Safety	\$78,059,784	Yes	\$1,444.59	\$17,335						
Sanitation	\$0	No	\$0.00	\$0						
Social Welfare	\$15,192,742	Yes	\$281.16	\$3,374						
Water Supply	\$0	No	\$0.00	\$0						
Capital Expenditures	\$27,900,000	No	\$0.00	\$0						
Total	\$323,365,783		\$2,305.69	\$27,668						

General Government includes the Mayor, Management, Corporation Counsel, Finance, Personnel, Planning Environmental Management-General, and Public Works-General.

Sources: SMS, 2006; County of Maui; Munekiyo & Hiraga, Inc., 2011.

As shown in **Table 5**, the total General Fund cost per household of County functions that would be impacted by the proposed project is \$2,305.69. The total increase in annual operating costs for the County would be \$27,668, based on 12 in-migrant households.

Real property tax revenues generated by the project, which were estimated to be \$152,270 annually, would exceed the County's increased operating expenditures of \$27,668 to serve new inmigrants attracted by the project.

2. State of Hawaii

a. Revenues

The State of Hawaii can expect to receive revenues from several sources as a result of the proposed project at full buildout. This includes personal income taxes of in-migrants who move to the proposed project from outside of the State as well as general excise taxes (GET) on new spending on consumer goods and services by these in-migrant households. As discussed previously, this analysis assumes 25 percent of market rate and rural lots are purchased by in-migrants to Maui County. Some of these inmigrants may be current State of Hawaii residents who are relocating from another island outside of the County. The longterm operating revenues generated by the proposed project would depend on a variety of factors, including the household incomes and spending patterns of the in-migrant households and the proportion of in-migrants who are new residents to the State of Hawaii.

b. Expenditures

The State of Hawaii can expect higher on-going operating expenditures in support of in-migrant households moving to the proposed project from outside of the State.

Table 6 provides a breakdown of the State's \$4.9 billion General Fund budget for fiscal year 2010-2011 by department. General Fund expenditures are allocated on a per household basis for departments that would be impacted by the project's in-migrant households. As shown in Table 6, this analysis assumes that State administrative functions would not be impacted by the project. Administrative functions include departments such as Accounting and General Services, the Attorney General, Budget and Finance, and the Governor and Lieutenant Governor.

Table 6. State of Hawaii General Fund Expenditure Impacts

State of Hawaii Populati	on, 2010
Population	1,360,301 per 2010 U.S. Census
Households	465,857 assuming household size of 2.92 per 2000 Census (a)
General Fund Expenditu	ure Impacts

Existing Cost Total Project FY 2010-2011 Impacted by Project per Household Cost (b) Budget Accounting and General Services \$60,463,771 No \$0.00 \$0 \$193 \$7,501,447 Agriculture Yes \$16.10 Attorney General \$22,813,695 \$0.00 \$0 No Yes Business, Econ. Dev. & Tourism \$14.18 \$170 \$6,606,484 Budget and Finance \$1,604,080,553 No \$0.00 \$0 \$0 Commerce and Consumer Affairs Yes \$0.00 \$0 Defense \$13,423,791 \$28.82 \$346 Yes \$1,253,433,452 \$32,287 Education Yes \$2,690.60 \$48,500,087 Yes \$104.11 \$1,249 Charter Schools Public Libraries \$55.56 \$667 \$25,880,773 Yes Governor \$2,490,353 No \$0.00 \$0 Hawaiian Home Lands No \$0.00 \$0 \$0 **Human Services** \$747,410,665 Yes \$1,604.38 \$19,253 Human Resources Development \$20,023,064 No \$0.00 \$0 Health \$383,708,512 Yes \$823.66 \$9,884 Health - Hawaii Health Sys Corp \$83,878,654 Yes \$180.05 \$2,161 Labor and Industrial Relations \$12,855,128 Yes \$27.59 \$331 Land and Natural Resources \$49.91 \$599 \$23,251,540 Yes Lieutenant Governor \$933,291 No \$0.00 \$0 **Public Safety** \$214,607,894 Yes \$460.67 \$5,528 Subsidies \$0 No \$0.00 \$0 Taxation \$19,503,345 Yes \$41.87 \$502 Transportation \$0.00 \$0 \$0 No

Notes: (a) 2010 Census household count and household size for Hawaii not yet published. (b) Equals existing cost per household multiplied by the number of in-migrant households estimated in Table 1. Sources: U.S. Census Bureau; State of Hawaii; Munekiyo & Hiraga, Inc., 2011.

\$367,987,276

\$4,919,353,775

Total

University of Hawaii

The total cost per household of State functions that would be impacted by the proposed project is \$6,887.42. The total increase in annual operating costs for the State would be \$82,649, based on 12 in-migrant households. This total figure, however, is based on the most conservative assumption that all of the project's 12 in-migrant households are new State residents moving from outside of Hawaii. A more likely scenario is that only a proportion of the project's in-migrant households would be new State residents. This would result in a smaller total project cost for State General Fund expenditures.

Yes

\$789.92

\$6,887.42

\$9,479

\$82,649

Additional State revenues such as income tax and GET from new in-migrants would help to offset the General Fund costs resulting from the proposed project.

EXHIBIT "C"

Resolution No. 10-57 Approving with Modification The Kula Ridge Affordable Housing Subdivision Project Pursuant to Section 201H-38, Hawaii Revised Statutes

Resolution

No.	10-	·5 7

APPROVING WITH MODIFICATION THE KULA RIDGE AFFORDABLE HOUSING SUBDIVISION PROJECT PURSUANT TO SECTION 201H-38, HAWAII REVISED STATUTES

WHEREAS, Kula Ridge, LLC, a Hawaii Limited Liability Company, proposes the development of the Kula Ridge Affordable Housing Subdivision Project and related improvements (the "Project") for qualified residents; and

WHEREAS, the proposed Project will provide a total of fifty-nine affordable housing units to families earning at or less than one-hundred and forty percent (140%) of Maui County's median family income. Specifically, seventeen (17) senior housing units will be provided for below-moderate income households, seventeen (17) senior housing units and twelve (12) single family units will be provided for moderate income households, and thirteen (13) single family units will be provided for above-moderate income households, as defined by Section 2.96.020, Maui County Code; and

WHEREAS, the Project will provide needed affordable housing to meet the current and growing demand for affordable housing; and

WHEREAS, on September 8, 2010, the Department of Housing and Human Concerns submitted the preliminary plans and specifications to the Council of the County of Maui ("Council") recommending approval of the Project pursuant to Section 201H-38, Hawaii Revised Statutes (HRS); and

WHEREAS, pursuant to Section 201H-38, HRS, the Council shall approve, approve with modification, or disapprove the Project by resolution within forty-five (45) days after the Department of Housing and Human Concerns has submitted the preliminary plans and specifications for the Project to the Council, which submittal occurred on September 8, 2010; and

WHEREAS, pursuant to Section 4-1 of the Revised Charter of the County of Maui (1983), as amended, the Council is authorized to act by resolution; now, therefore,

BE IT RESOLVED by the Council of the County of Maui:

- 1. That, based upon the transmittals and the representations of the Department of Housing and Human Concerns and Kula Ridge, LLC, the Council approves the Project with the modifications specified in Exhibit "1", including the Project's preliminary plans and specifications, as submitted to the Council on September 8, 2010, pursuant to Section 201H-38, HRS; provided that Kula Ridge, LLC shall comply with all statutes, ordinances, charter provisions, and rules of governmental agencies relating to planning, zoning and construction standards for subdivisions, development and improvement of land, and the construction of units thereon, except for the exemptions specified in Exhibit "2", attached hereto and made a part hereof; and
- 2. That the final plans and specifications for the Project shall be deemed approved by the Council if the final plans and specifications do not substantially deviate, as determined by the Director of Housing and Human Concerns, from the preliminary plans and specifications approved by the Council. Any substantial deviation from the preliminary plans and specifications shall be submitted to the Council for prior approval. The final plans and specifications shall constitute the zoning, building, construction, and subdivision standards for the Project; and
- 3. That certified copies of this resolution be transmitted to the Director of Public Works, the Planning Director, the Director of Housing and Human Concerns, and Kula Ridge, LLC.

APPROVED AS TO FORM AND LEGALITY:

KIMBERLY A. B. SLOPER

Deputy Corporation Counsel

County of Maui

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PROJECT MODIFICATIONS TO THE KULA RIDGE 201H AFFORDABLE HOUSING APPLICATION

- 1. The applicant shall install a street-lighting system that will be shielded and directed downward where the light is needed with zero scattering upon the mountain slopes of Haleakala, and shall abide by the outdoor lighting ordinance (Chapter 20.35 of the Maui County Code).
- 2. The applicant shall comply with all provisions of Chapter 14.12, Maui County Code, relating to water availability.
- 3. The applicant shall provide for a comfort station in the development's three-acre park.
- 4. The applicant shall fund and construct a sidewalk and crosswalks between the Kula Community Center and the Haleakala Waldorf School. The proposed design shall incorporate traffic-calming and other safety measures, such as raised crosswalks, speed humps, warning lights, or other measures deemed appropriate by the Department of Public Works to support the objective of creating a safer pedestrian environment along this segment of roadway. The specific alignment of the sidewalk, mauka or makai, shall be defined by the applicant in coordination with the Department of Public Works and neighboring property owners.
- 5. Upon the completion of the affordable housing agreement between the applicant and the Department of Housing and Human Concerns, the plan shall be forwarded to the Council for approval.
- 6. The applicant shall provide ADA-compliant walkways that will connect the various senior housing units.
- 7. No accessory dwelling shall be allowed in the Kula Ridge Affordable Housing Subdivision. However, each four-acre rural lot located at the mauka extent of the project shall be allowed one main dwelling and one accessory dwelling, with no further subdivision.
- 8. The Applicant shall pay the Department of Education the appropriate school impact fee for each of the market units in the Kula Ridge Affordable Housing Subdivision. Such fees shall benefit Kula Elementary School, Kalama Intermediate School, and/or King Kekaulike High School.

- 9. Archaeological monitoring for the Kula Ridge Affordable Housing Subdivision shall be required for ground-altering activities. The monitoring shall be undertaken in accordance with a monitoring plan approved by the State Historic Preservation Division.
- 10. In the event the Kula Ridge Affordable Housing Subdivision's water-system improvement involves the crossing of Keahuaiwi Gulch or the Kula Ridge Mauka Parcel, the applicant shall coordinate with the State Historic Preservation Division to ensure that all archaeological-review procedures for waterline crossing are appropriately addressed.
- 11. The minimum lot size for the single-family affordable units (house/lot packages) shall be 6,000 square feet.
- 12. The affordable single-family homes and senior affordable duplexes shall be built at a rate of two single-family homes or one senior affordable duplex for each market-rate home built or market-rate lot sold, whichever is earlier.
- 13. The applicant, through the Department of Housing and Human Concerns, shall update the Council on the status of the project and the applicant's progress in complying with the modifications adopted by the Council's resolution on at least an annual basis, commencing one year from the adoption of the Council's resolution. For modifications that contain specific due dates, the Department shall update the Council as to the status of each modification no later than two months prior to the date specified in the modification.
- 14. Construction of the Kula Ridge Affordable Housing Subdivision shall be initiated within one year of granting of a bonded final subdivision approval. If the applicant chooses to implement construction of subdivision improvements as part of the normal final subdivision approval process (i.e., non-bonding scenario), construction shall be initiated within one year of receipt of approval of the project's subdivision construction plans. Initiation of construction shall be defined as initiation of subdivision grading work or subdivision-related offsite infrastructure improvements. A time extension to the construction initiation date shall be considered by the Council upon timely receipt of a request for time extension at least 90 days prior to the expiration of the initial construction start date.
- 15. For the purposes of this 201H application, the term "senior" shall mean those income-qualified prospective purchasers who are 55 years in age or older.

16. The following zoning standards shall apply to the four-acre rural lots:

Minimum Lot Size 4 acres
Minimum Lot Width 150 feet
Front Yard Setback 35 feet
Side Yard Setback 20 feet
Rear Yard Setback 20 feet
Walls within Setback Area 4 feet maximum height

Maximum Building Height 30 feet

17. All references in the Revised Application to eleven (11) single-family residential workforce housing units shall be deemed stricken.

PROPOSED REVISED EXEMPTIONS FOR AFFORDABLE HOUSING SUBDIVISION PROPOSED SECTION 201H, HRS, EXEMPTIONS FROM THE MAUL COUNTY CODE ("MCC")

A. EXEMPTION FROM TITLE 2, MCC, ADMINISTRATION AND PERSONNEL

- 1. An exemption from Chapter 2.80B, MCC, <u>General Plan and Community Plans</u>, shall be granted to permit the project without obtaining a general plan and community plan amendment.
- 2. An exemption from Chapter 2.96, MCC, <u>Residential</u> <u>Workforce Housing Policy</u> shall be granted for the project in accordance with Section 2.96.030.B.6, MCC.

B. EXEMPTION FROM TITLE 14, PUBLIC SERVICES

1. Exemption from Chapter 14.74, Impact Fees for Traffic and Roadway Improvements in Makawao-Pukalani-Kula, Maui, Hawaii, to exempt the project from traffic impact fees should such fees be adopted prior to the issuance of building permits for the project.

C. EXEMPTIONS FROM TITLE 16, MCC, Buildings and Construction

1. Exemptions from MCC Chapters 16.04B, Fire Code, 16.18B, Electrical Code, 16.20A, Plumbing Code, and 16.26, Building Code, shall be granted to exempt the project from fire, electrical, plumbing, building permit fees and demolition permit fees, as well as inspection fees.

D. EXEMPTIONS FROM TITLE 18, MCC, SUBDIVISIONS

- 1. Exemptions from Section 18.04.030, MCC, Administration, and related land use consistency requirements of Title 18, shall be granted to exempt the project from obtaining a change in zoning and community plan amendment to enable subdivision approval.
- 2. An exemption from Section 18.16.320, MCC, <u>Parks and Playgrounds</u>, shall be granted to allow the 3.0 acres of park land and accompanying comfort station within the project to satisfy the park dedication and assessment requirements.

 $^{1 \\ \}hspace{0.5cm} \text{S:ALL\KBS\Housing\201H\Kula\ Ridge\Kula\ Ridge\-2010\Nevised\Exemptions.wpd} \\$



An exemption from Section 18.16.050 MCC, Minimum Right-3. of-way and Pavement Widths, shall be granted to allow 24 ft. right-of-way and 20 ft. pavement widths for private streets within the subdivision.

E. EXEMPTIONS FROM TITLE 19, MCC, ZONING

An exemption from Chapter 19, MCC, shall be granted to 1. permit the development and use of the parcel for singlefamily, duplex, and rural residential purposes, including supporting infrastructure requirements. Further, this exemption shall allow the subdivision of the property in the plat configuration shown in Attachment "A". The following zoning standards shall apply to the proposed lots:

Affordable Lots

Minimum Lot Size .													_		
Minimum Lot Width .														60	feet
Front Yard Setback														10	feet
Zero Lot Line		Ir	1 (cor	ıfc	rı	nar	ice	. v	vit	h	R-	0 S	tand	dards
Access Yard Setback	Li	ne	<u> </u>	•			•	•	•	•	•	•		15	feet
Other Setback Lines															
Height	No														
			24	l f	ee	et	ír	n h	ıei	igh	t	fr	om.	fin:	ished

Duplex Standards

Minimum Lot Size
(There may be more than one duplex dwelling on any lot,
provided that there is not less than 7,500 square feet
for each two-family dwelling (duplex).)
Minimum Lot Width 65 feet
Front Yard Setback 15 feet
Side Yard Setback 6 feet at 1-story
Rear Yard Setback 20 feet
Height No building shall exceed 1-story or
24 feet in height from finished
grade of the subdivision

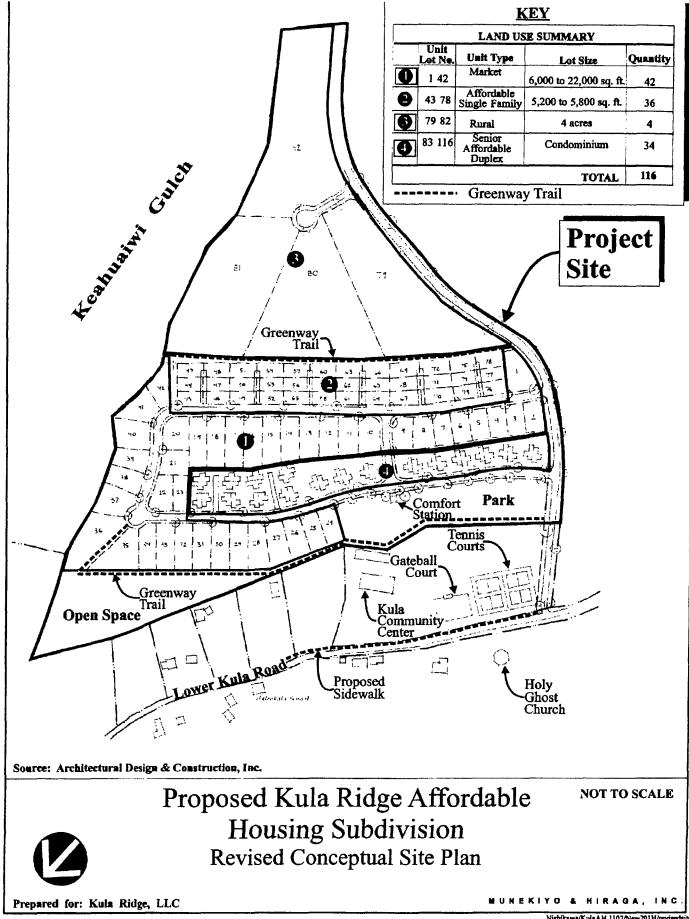
grade of the subdivision

Market Lots

Minimum Lo Minimum Lo Front Yard Other Set	ot Width d Setbacl															٠.	60	feet
Lines		6	fe	et	a	t	1-	st	or	ĉγ,	1	0	fe	et	: ā	at	2-5	story
Height:	No build height f		_										-					

F. EXEMPTIONS FROM TITLE 20, MCC, ENVIRONMENTAL PROTECTION

1. An exemption from Section 20.08.090, MCC, <u>Grubbing and Grading Permit Fees</u>, shall be granted to exempt the project from payment of grading, grubbing and excavation permit fees, as well as inspection fees.



COUNCIL OF THE COUNTY OF MAUI

WAILUKU, HAWAII 96793

CERTIFICATION OF ADOPTION

It is HEREBY CERTIFIED that RESOLUTION NO. 10-57 was adopted by the Council of the County of Maui, State of Hawaii, on the 19th day of October, 2010, by the following vote:

MEMBERS	Dennis A. MATEO Chair	Michael J. MOLINA Vice-Chair	Gladys C. BAISA	Jo Anne JOHNSON	Solomon P. KAHO'OHALAHALA	William J. MEDEIROS	Wayne K. NISHIKI	Joseph PONTANILLA	Michael P. VICTORINO
ROLL CALL	Aye	Ауө	Aye	Aye	No	Aye	No	Aye	Excused

COUNTY CLERK

Exhibit "15"

Affidavit of B. Martin Luna Attesting to Service of First Amendment to Petition for District Boundary Amendment

BEFORE THE LAND USE COMMISSION

OF THE STATE OF HAWAII

In the Matter of the Petition of) DOCKET NO. A11-790
KULA RIDGE, LLC))
To Amend the Land Use District Boundary of Certain Lands Situated at Kula, Island of Maui, State of Hawaii, Consisting of 51.025 Acres from the Agricultural District to the Urban and Rural Districts, Tax Map Key Nos. 2-3-001:174 and 023 (por.).))))))

AFFIDAVIT OF SERVICE OF FIRST AMENDMENT TO PETITION FOR DISTRICT BOUNDARY AMENDMENT FILED JANUARY 24, 2011

STATE OF HAWAII)
) ss
COUNTY OF MAUI)

- B. MARTIN LUNA, being first duly sworn on oath, deposes and says:
- 1. Affiant is the attorney for KULA RIDGE, LLC, the Petitioner for a State of Hawaii Land Use District Boundary Amendment from the Agricultural District to the Urban and Rural Districts, for land situated at Kula, Maui, Hawaii, and identified as TMK Nos. 2-3-001:174 and 023 (por.).
- 2. In compliance with §15-15-48(a), Hawaii Administrative Rules ("HAR"), Affiant will on April 8, 2011, serve a copy of the Kula Ridge, LLC's First Amendment to Petition for District Boundary Amendment Filed January 24, 2011, by depositing the same in the United States mail, post paid, or by hand delivery, to each of the following persons, addressed as follows:

MARY LOU KOBAYASHI

BY MAIL

Planning Program Administrator

Office of Planning, Land Use Division

State of Hawaii

P. O. Box 2359

Honolulu, Hawaii 96804

BRYAN C. YEE

BY MAIL

Deputy Attorney General

Department of the Attorney General

425 Queen Street

Honolulu, Hawaii 96813

WILLIAM SPENCE

BY MAIL

Director, Planning Department

County of Maui

250 South High Street

Wailuku, Maui, Hawaii 96793

PLANNING COMMISSION

BY MAIL

County of Maui

250 South High Street

Wailuku, Maui, Hawaii 96793

PATRICK WONG

BY MAIL

Corporation Counsel

Department of the Corporation Counsel

County of Maui

200 South High Street

Wailuku, Hawaii 96793

MAUI ELECTRIC COMPANY, LIMITED BY MAIL

Attention: Dan Takahata

P. O. Box 398

Kahului, Hawaii 96733-6898

HAWAIIAN TELCOM INC.

BY MAIL

Attention: Legal Department

P. O. Box 2200

Honolulu, Hawaii 96816

KULA RIDGE MAUKA, LLC

2145 Wells Street, Suite 301

Wailuku, Hawaii 96793

BY HAND DELIVERY

This Affidavit is provided in compliance with §15-15-50(c)(5)(C), HAR.

That further Affiant sayeth naught.

DATED: Wailuku, Hawaii, April 7, 2011.

B. MARTIN LUNA

The attached document: AFFIDAVIT OF SERVICE OF FIRST AMENDMENT TO PETITION FOR DISTRICT BOUNDARY AMENDMENT FILED JANUARY 24, 2011, dated April 7, 2011, which consists of three (3) pages (including this page), was executed by B. MARTIN LUNA, who was subscribed and sworn to before me this _7th_ day of April, 2011 in the Second Judicial Circuit of the State of Hawaii.

NOTARY PUBLIC Comm. No. 09-364

[Notary Signature]

Printed Name: Robyn Petersen
My Commission expires: 08/23/2018

My commission expires:

