

CARLSMITH BALL LLP

B. MARTIN LUNA 0865-0
One Main Plaza, Suite 400
2200 Main Street
Wailuku, Maui, Hawaii 96793-1691
Tel. No.: (808) 242-4535
Facsimile: (808) 244-4974

Attorney for Petitioner
KULA RIDGE, LLC

**BEFORE THE LAND USE COMMISSION
OF THE STATE OF HAWAII**

**DOCKET NO. A11-790
KULA RIDGE, LLC**

**In the Matter of the Petition of
Kula Ridge, LLC To Amend the Land Use District Boundary of Certain
Lands Situated at Kula, Island of Maui, State of Hawaii, Consisting
of 51.17 Acres from the Agricultural District to the Urban
and Rural Districts, Tax Map Key Nos. 2-3-001:174 and 023 (por.)**

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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
Exhibit "13"	Affidavit of Service of Petition for District Boundary Amendment

CARLSMITH BALL LLP

B. MARTIN LUNA 0865-0
One Main Plaza, Suite 400
2200 Main Street
Wailuku, Maui, Hawaii 96793-1691
Tel. No.: (808) 242-4535
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Urban and Rural Districts, Tax Map Key)	
Nos. 2-3-001:174 and 023 (por.).)	
_____)	

PETITION FOR DISTRICT BOUNDARY AMENDMENT

COMES NOW, KULA RIDGE, LLC (“Petitioner”), a Hawaii limited liability company, by and through its attorneys, CARLSMITH BALL LLP, and respectfully requests this Honorable Land Use Commission of the State of Hawaii (“Commission”) to amend the land use district boundary to effect a district reclassification of approximately 51.17 acres of land (“Petition Area”) situated at Kula, Maui, Hawaii, from the Agricultural District to the Urban District for approximately 34.92 acres, and from the Agricultural District to the Rural District for approximately 16.25 acres.

The Commission is authorized to grant the relief sought herein pursuant to Section 205, Hawai'i Revised Statutes ("HRS") and the Land Use Commission Rules of the State of Hawaii found in Title 15, Subtitle 3, Chapter 15 of the Hawaii Administrative Rules ("HAR").

BACKGROUND

Pursuant to HRS § 201H-38, Petitioner's Application for Affordable Housing Development ("Application") was filed with the Maui County Council ("Council") by the Department of Housing and Human Concerns ("DHHC") on October 6, 2008. The Application was filed following the publication of a Final Environmental Assessment, pursuant to HRS § 343 (Finding of No Significant Impact) on September 8, 2008, for the Petition Area and the proposed Project ("the Project") described below and more particularly, in Section VI. The Council disapproved the Application on October 21, 2008 with concerns which included the viability and cost of providing water to the Project residents, the need for sidewalks along Lower Kula Road and the need for a comfort station in the 3-acre park.

Petitioner's Revised Application for Affordable Housing Development Pursuant to Section 201H-38, Hawai'i Revised Statutes ("Revised Application"), was submitted by the DHHC to the Council on September 8, 2010. The Revised Application incorporated new housing product types containing 34 affordable senior duplex units, besides 36 affordable house-lot units and 46 market-priced units. In addition, issues raised during the Council's review of the initial Application were addressed by the Revised Application. The Revised Application, which included information updating certain reports in the Final Environmental Assessment ("FEA"), was approved by the Council on October 19, 2010.

I. STANDING

Kula Ridge, LLC (“Kula Ridge”), a Hawaii limited liability company, whose principal place of business is 1849 Wili Pa Loop, Wailuku, Hawaii 96793, is the owner of Tax Map Key No. (2) 2-3-001:174, which consists of approximately 48.12 acres. Kula Ridge Mauka, LLC (“Kula Ridge Mauka”), a Hawaii limited liability company, is the owner of Tax Map Key No. (2) 2-3-001:023 (por.), which portion consists of approximately 3.05 acres. The total acreage of the foregoing parcels is 51.17 acres (“the Petition Area”)

Kula Ridge Mauka has given written authorization to Petitioner to file the Petition pursuant to HAR § 15-15-50(c)(5)(B). Attached hereto as **Exhibit “1”** is Kula Ridge Mauka’s Authorization. Coupled with the written authorization from Kula Ridge Mauka, Petitioner has the requisite standing to file this Petition pursuant to HRS § 205-4(a), and HAR § 15-15-46(3).

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 § 15-15-50(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
1849 Wili Pa Loop
Wailuku, Hawaii 96793

III. DESCRIPTION OF THE PETITION AREA

The Petition Area is located in Kula, Maui, Hawaii, and consists of approximately 51.17 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, aerial photograph and conceptual site plan of the Petition Area are attached hereto as **Exhibits “3”, “4”, “5” and “6”**, respectively, and incorporated herein by reference. 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 is attached hereto as **Exhibit “7”** and incorporated herein by reference.

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.

IV. RECLASSIFICATION SOUGHT AND PRESENT USE OF THE PETITION AREA

Petitioner is respectfully requesting that the Commission amend the present classification of the Petition Area from the Agricultural District to the Urban and Rural Districts, specifically, 34.92 acres from the Agricultural District to the Urban District, and 16.25 acres from the Agricultural District to the Rural District. The Petition Area is presently located entirely in the Agricultural District.

For the past four years, and many years prior, the Petition Area has been made up of pasture and abandoned farm land.

A. Conformity of the Reclassification to the Standards for Determining the Boundaries of the Urban District

HAR § 15-15-18 sets forth the standards used by the Commission for determining urban district boundaries. The proposed reclassification of the 34.92 acre portion of the Petition Area conforms to those standards as shown by the following analysis:

1. Lands Characterized by “city-like” Concentrations of People, Structures, Streets, Urban Level of Services and Other Related Land Uses.

The 34.92 acre portion of the Petition Area is located in close proximity to “city-like” land uses. Schools are located to the southwest and west of the area. A restaurant and grocery store are located to the southwest, and there are single-family homes located to the south and west of the area. Existing structures, streets and services in proximity of the area can all be characterized as urban in nature.

2. Proximity to Centers of Trading and Employment Except Where the Development Would Generate New Centers of Trading and Employment.

Makawao Town and Pukalani Town, which are areas of trading and employment, are located approximately 8.0 and 6.0 miles away, respectively, from the 34.92 acre portion of the Petition Area. Both towns include professional and business services, as well as established residential communities.

3. Availability of Basic Services such as Schools, Parks, Wastewater Systems, Solid Waste Disposal, Drainage, Water, Transportation Systems, Public Utilities, and Police and Fire Protection.

Public services and facilities, together with improvements to be constructed, are adequate to support, and are not anticipated to be unreasonably burdened or impacted by the proposed development or reclassification of the 34.92 acre portion of the Petition Area. It is in

close proximity to major existing roadways, such as Kula Highway, and includes a planned internal transportation system of collector and local roadways.

With respect to infrastructure, the Preliminary Engineering Report prepared by Otomo Engineering, Inc., attached to the FEA as Appendix H, indicates that any Project-related impacts can be readily addressed and/or mitigated by the implementation of anticipated infrastructure improvements.

Wastewater for the Project will be handled through the use of Individual Wastewater Systems, which will be provided for each lot. The County of Maui would handle the Project's solid waste disposal needs for those homes located along County-dedicated streets. Solid waste disposal needs for homes located along private roadways will be met through a private waste collection vendor or will be brought to County-dedicated streets for pick up.

The Project's drainage needs will be accommodated through the use of an onsite detention basin and grated catch basins. Any overflow from the detention basin will be allowed to sheetflow into Keahuaiwi Gulch at a rate less than the existing conditions.

Water for the Project is anticipated to be provided through an offsite groundwater well, identified as the Piihola South Well. See Section V and Exhibit 6 of the Revised Application. Alternative means of water supply provision will also be explored such that the Petitioner will be able to comply with Chapter 14.12 of the Maui County Code relating to water availability.

Electrical, telephone, and cable television services are available through Maui Electric Company, Limited, Hawaiian Telcom Inc., and Oceanic Time Warner Cable, respectively.

The State Department of Education's public school system serves the Upcountry area, which includes King Kekaulike High School (Grades 9 to 12), Kalama Intermediate School (Grades 6 to 8), and Kula Elementary School (Grades K to 5). Other schools in the area include Kamehameha Schools, which is an elementary, middle, and high school for persons of native Hawaiian ancestry, and St. Joseph School (Grades K to 6), Haleakala Waldorf School (Grades K to 8), and Seabury Hall (Grades 6 to 12), all of which are private schools.

Police protection is provided by the Maui County Police Department, with its main headquarters located in Wailuku, approximately 18.0 miles away. A police substation is located in Pukalani Town, approximately 5.3 miles away. In addition, a new police community service center is located in the Kulamalu Town Center, approximately 1.0 mile away.

Fire protection, which encompasses fire prevention, suppression, rescue, and emergency services, is provided by the Maui County Department of Fire Control. The Kula Station is located off Kula Highway and is located approximately 1/2 mile away. The Makawao and Paia Stations, which would lend additional fire support, are located approximately 7.0 and 16 miles away, respectively. The proposed development will not result in any extension of the existing service area limits for police or fire emergency services.

There are several parks and numerous recreational opportunities in close proximity. The 10.3 acre Kula Park, which includes a ballfield, soccer fields, playground equipment, picnic tables, and restroom and parking facilities, is located to the southwest, and is adjacent to Kula Elementary School. Other neighborhood parks and facilities in close proximity include the Kula Community Center, the Old Kula Center, Harold Rice Park, and Keokea Park. Petitioner will also develop a 3.0 acre park and comfort station as part of the proposed

development which will be adjacent to, and complement, the existing Kula Community Center facilities.

4. Sufficient Reserve Areas for Foreseeable Urban Growth.

The proposed development is located within proximity of existing and planned residential development as evidenced by the Makawao-Pukalani-Kula Community Plan. The Waiohuli Homestead Community Phase 2 and Phase 3 Developments will accommodate future urban growth. Incremental development at Keokea and Waiohuli is proceeding with build-out anticipated over the next several years. Accordingly, development of the Project will not significantly affect reserve areas for foreseeable urban growth.

5. Lands with Satisfactory Topography, Drainage, and Reasonably Free from the Danger of any Flood, Tsunami, Unstable Soil Condition, and Other Adverse Environmental Effects.

The Petition Area as a whole, has an average slope of approximately 14.8 percent, gently slopes in an east to west direction, and has elevations ranging from 2,780 to 3,085 feet. According to the Federal Emergency Management Agency flood insurance rate maps, the Petition Area is located within Zone X, which is an area of minimal flood hazard.

The Petition Area is not subject to tsunami, unstable soil conditions or other adverse environmental effects which would render it unsuitable or inappropriate for the proposed development.

6. Land Contiguous with Existing Urban Areas Shall be Given More Consideration than Non-Contiguous Land, and Particularly when Indicated for Future Urban Use on State or County General Plans.

The 34.92 acre portion of the Petition Area is in proximity to existing Urban district lands to the west. Although not contiguous, the Kula Community Center, provides a

continuity of urban land use patterns. The general area contains residential lots, a community center, a church, and small businesses, along with an elementary school and park space.

7. Lands in Appropriate Locations for New Urban Concentrations and Consideration to Areas of Urban Growth as Shown on State and County General Plans.

The 34.92 acre portion of the Petition Area is adjacent to areas of single-family residential uses, and is designed by the Makawao-Pukalani-Kula Community Plan as both “Single-Family” and “Rural”. It is also surrounded by other urban uses, such as a grocery store, restaurant, school, and community center. It is therefore in an appropriate location for new urban concentration and growth.

8. May Include Lands Which Do Not Conform to the Standards in Paragraphs (1) to (5) of HAR § 15-15-18: (A) When Surrounded by or Adjacent to Existing Urban Development; and (B) Only When Those Lands Represent a Minor Portion of this District.

While Petitioner believes the 34.92 acre portion of the Petition Area conforms with the standards in paragraphs (1) to (5) of HAR § 15-15-18, it is adjacent to existing urban development and activity. The impacts on agriculture is not significant given the fact that the 34.92 acres represent a very minor percentage of the estimated 244,600 acres of lands in the Agriculture District on the island of Maui.

9. Shall Not Include Lands, the Urbanization of Which Will Contribute Toward Scattered Spot Urban Development, Necessitating Unreasonable Investment in Public Infrastructure or Support Services.

Urbanization of the 34.92 acre area will not contribute to scattered spot urban development given the developed and undeveloped urban lands nearby. The proposed development will not necessitate unreasonable public investment in infrastructure facilities or public services.

10. **May Include Lands with a General Slope of Twenty Percent or More if the Commission Finds that those Lands are Desirable and Suitable for Urban Purposes and that the Design and Construction Controls, as Adopted by any Federal, State or County Agency, are Adequate to Protect the Public Health, Welfare and Safety, and the Public's Interests in the Aesthetic Quality of the Landscape.**

The Petition Area as a whole is characterized by an average slope of approximately 14.8 percent.

B. Conformity of the Reclassification to the Standards for Determining the Boundaries of the Rural District

HAR § 15-15-21 sets forth the standards used by the Commission for determining rural district boundaries. The proposed reclassification of the 16.25 acre portion of the Petition Area conforms to those standards as shown by the following analysis:

1. **Areas Consisting of Small Farms; Provided that the Areas Need Not be Included in this District if Their Inclusion Will Alter the General Characteristics of the Areas.**

The 16.25 acre eastern or mauka portion of the Petition Area is surrounded in the general area by agricultural and rural areas. The four (4) large lots in the Project will encourage farming activities, including but not limited to, small farms.

2. **Activities or Uses as Characterized by Low-Density Residential Lots of Not Less Than One-Half Acre and a Density of Not More Than One Single-Family Dwelling Per One-Half Acre in Areas Where "City-Like" Concentration of People, Structures, Streets, and Urban Level of Services Are Absent, and Where Small Farms are Intermixed with the Low-Density Residential Lots.**

The 16.25 acre portion of the Petition Area is surrounded by single-family homes, small farms, and urban uses and activities which are reflective of the region's overall rural character. The four (4) lots in the Project, the minimum size of which is 4 acres, will be sold with restrictions on further subdivision. Development of each lot will be restricted to one (1) main dwelling and one (1) accessory dwelling unit.

3. It May Also Include Parcels of Land Which Are Surrounded By, or Contiguous to This District, and Are Not Suited to Low-Density or Residential Uses for Small Farm or Agricultural Uses.

The 16.25 acre portion of the Petition Area is surrounded by other uses which are reflective of the region's overall rural character. The proposed rural transition between agricultural and urban areas is considered appropriate given the proximity to infrastructure and services.

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 (por.), which portion consists of approximately 3.05 acres. Kula Ridge Mauka has authorized Petitioner to file the Petition. See Exhibit "1".

VI. PROPOSED DEVELOPMENT

Petitioner proposes to develop the Petition Area into an approximately 116-lot residential subdivision consisting of 70 affordable units (36 single-family units and 34 senior duplex units) and 46 market-priced lots, with onsite infrastructure improvements. A three (3) acre park site adjacent to the Kula Community Center and a comfort station within the park site is proposed to be dedicated to the County of Maui as part of the proposed Project.

The affordable house lots are proposed to be a minimum of approximately 5,200 square feet. Projected sales prices based on 2009 income guidelines for the affordable house-lot units range from \$237,660 to \$489,200.

Forty-two (42) of the Project's market-priced lots will range in size from approximately 8,500 square feet to 22,000 square feet. Based on current market conditions, the projected sales prices for these lots range from \$350,000 to \$450,000.

The remaining four (4) large lots of the Project have a minimum size of 4 acres. Based on current market conditions, each of these 4 lots are projected to be sold for approximately \$1.2 million.

Fifty-nine of the 70 affordable house-lot units will be offered to families having an annual income of not more than 140 % of the Maui County median income. More specifically, seventeen (17) units will be offered to families with below-moderate income households, twenty-nine (29) units will be offered to families with moderate income and above moderate income households and thirteen (13) units will be offered to families with above moderate income households.

The remaining 11 affordable house-lot units, which is the requirement for the adjacent Kula Ridge Mauka 21-lot Subdivision on Tax Map Key No. (2) 2-3-001:023, will be constructed on the Petition Area. The 11 units will be offered to families in the following income categories: three (3) units will be offered to families with below moderate income (80% to 100% of Maui County median income), four (4) units will be offered to families with moderate income (101% to 120% of Maui County median income), two (2) units will be offered to families with above moderate income (121% to 140% of Maui County median income), and two (2) units will be offered to families with gap income (141% to 160% of Maui County median income).

Petitioner intends to initiate development of the Project upon receipt of all necessary land entitlements. Completion of the Project is anticipated to be approximately twelve

(12) months from the start of construction. The estimated cost for the Project, including water source development (excluding house construction on the affordable lots) is \$9,000,000.

VII. PETITIONER'S FINANCIAL CONDITION

Evidence of Petitioner's financial condition is reflected in the balance sheet and profit and loss statement attached hereto as **Exhibit "10"**. Petitioner intends to finance infrastructure improvements through a variety of sources, including, but not limited to, private investment sources and banking institutions.

VIII. DESCRIPTION OF THE PETITION AREA AND SURROUNDING AREAS

The Petition Area is currently undeveloped and vegetated with pasture grass. For the past two years, and many years prior, the Petition Area was formerly used as pasture and abandoned farm land. To the north of the Petition Area is Keahuaiwi Gulch. Vacant pasture lands bound the Petition Area to the south. The Kula Community Center, Gateball Field and Tennis Courts, and the Holy Ghost Church are located to the immediate west of the Petition Area along Lower Kula Road. Single-family residences are found along the western boundary of the Petition Area.

As indicated by the Flood Insurance Rate Map for the County of Maui, the Petition Area is located within Zone X, which is an area of minimal flood hazard according to the Federal Emergency Management Agency.

The Petition Area is listed as "Other Agricultural Land" according to the Agricultural Lands of Importance to the State of Hawaii (ALISH) map as shown on Figure 19 of the FEA.

The University of Hawaii Land Study Bureau's Detailed Classification has classified the productivity of the land underlying the proposed Project site as "C", "D", and "E".

This classification system rates lands on a scale of “A” to “E,” reflecting land productivity characteristics. Lands designated “A” are considered to be of highest productivity, with “E” rated lands ranked the lowest.

More specifically, the soils underlying the Petition Area are of the Pu’u Pa-Kula-Pane association. The soils within the Petition Area are classified as Kula Cobbly Loam (KxaD), which is characterized as having moderately rapid permeability and medium runoff.

The Petition Area slopes away from Lower Kula Road in a northwesterly direction at an average slope of 14.8 percent. Elevations at the Petition Area range from 2,780 feet to 3,085 feet above mean sea level.

IX. IMPACTS OF THE PROPOSED DEVELOPMENT ON THE ENVIRONMENT

A. Environment.

The proposed development is not expected to have significant adverse impacts on the environment. While air quality and noise levels will be impacted to a certain extent during the course of development such as exhaust emissions from on-site construction equipment, construction vehicle traffic, and construction noise, the impact will be short-term. In addition, best management practices that include performing construction-related activities in strict compliance with all applicable air and noise regulations will mitigate any temporary impacts.

B. Flora and Fauna.

A Biological Resources Survey of the Petition Area was carried out by Robert M. Hobdy. See Appendix D of the FEA. The Petition Area is grassed and has been overrun by scrub vegetation, consisting of pasture grasses and weeds. According to the survey, there are no known rare, endangered, or threatened species of plants located within or in the vicinity of the Petition Area.

Onsite fauna include mynah birds, francolins, short-eared owl, rats, and mongoose. The survey made a special effort to look for the native Hawaiian hoary bat, and the results were that no evidence of activity of the bat was observed. There are no rare or endangered species of fauna or avifauna found in or around the Petition Area.

C. Groundwater or Other Resources.

There are no wetlands in the vicinity of the Petition Area.

D. Scenic Resources.

The scenic resources of the Petition Area are characterized by views to Maui's central isthmus. The northern and southern shorelines of Maui can be seen northwest and southwest of the Petition Area. Mount Haleakala is also visible from the Petition Area. The Petition Area is not part of a scenic corridor and will not impact views from inland vantage points.

E. Agriculture.

An Agricultural Impact Study of the Petition Area was conducted by Decision Analysts Hawaii, Inc. See Appendix C of the FEA. The study noted that the Project will commit approximately 35 acres of low-quality agricultural land to a non-agricultural use, while leaving approximately 16 acres of the better quality land for rural/agricultural use as part of the Project's four (4) large lots. The study concluded that the small loss of agricultural land from the Project will not significantly affect (1) the availability of land to farmers in Hawaii, (2) agricultural land rents, (3) the growth of diversified crops, or (4) potential agricultural employment. The study also concluded that the impact to the loss of agricultural land is minimal since a majority of the Petition Area has poor soil.

F. Recreational Resources.

The Petition Area is located in an area with existing recreational resources. Kula Park is located to the southwest of the Petition Area, which consists of a ballfield, soccer fields, playground equipment, picnic tables, parking, and restroom facilities. There are also a number of other parks and recreational facilities in close proximity to the Petition Area. The Kula Community Center, gateball and tennis courts are located adjacent to the project site. The Project will include Petitioner's dedication of a 3-acre park site (adjacent to the Kula Community Center) to the County of Maui and construction of a comfort station within the park site. Petitioner's proposed development is not anticipated to increase the demand on recreational resources.

G. Culture and History.

The Petition Area, as well as the Kula region in general, was primarily an area for farming. In order to gain a greater perspective on any cultural impacts which the Project would have, interviews were carried out with individuals familiar with the area. In addition, an Archaeological Inventory Survey of the Petition Area was conducted by Scientific Consultant Services. See Appendix E of the FEA. The survey included background research and settlement pattern analysis, a complete pedestrian survey of the Petition Area, subsurface testing, and field reporting.

On September 8, 2009 a burial of possibly an Asian female was discovered in the Petition Area. The discovery was immediately reported to the State Historic Preservation Division ("SHPD"), and a "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]", was prepared by Scientific Consultant Services, Final

January 2010 (“Burial Treatment Plan”). The Burial Treatment Plan is attached hereto as **Exhibit “11”** and incorporated herein by reference. A response from SHPD regarding said Plan is pending.

Based on the interviews conducted, the Archaeological Inventory Survey of the Petition Area and the Burial Treatment Plan, the proposed development will not adversely impact any cultural beliefs, practices, resources or gathering rights.

X. IMPACTS OF THE PROPOSED DEVELOPMENT ON THE AVAILABILITY OR ADEQUACY OF PUBLIC SERVICES AND FACILITIES

The Preliminary Engineering Report prepared by Otomo Engineering, Inc. includes an assessment of existing infrastructure as well as anticipated improvements that may be needed to support the proposed development. The report details those improvements, which include improvements to roadways and drainage. Sewerage from the Project will be handled through individual wastewater systems since there are no public sewer facilities within the area of the Petition Area.

A Traffic Impact Report (“TIR”), and a Supplemental TIR, were prepared for the Project by Wilson Okamoto Corporation to determine the Project’s impact to existing traffic conditions. The TIR and Supplemental TIR are attached to the FEA as Appendix G and G-1. In addition to the FEA TIRs, the Petitioner’s traffic engineer prepared additional traffic studies which are incorporated in Sections 9 and 10 of the Revised Application. Access to the Project will be provided via a new access road off Lower Kula Road south of Alanui Place. The traffic consultant opined that all of the TIR’s study intersections will operate at acceptable levels of service with the additional traffic generated by the Project, and listed a number of recommendations to include in the Project’s design as they relate to traffic.

Water for the Project is anticipated to be provided through an offsite groundwater well, identified as the Piiholo South Well. See Section V and Exhibit 6 of the Revised Application. Alternative means of water supply provision will also be explored such that the Petitioner will be able to comply with Chapter 14.12 of the Maui County Code relating to water availability.

The Project is anticipated to generate approximately 40,600 gallons per day of wastewater. Wastewater from the Project will be treated through individual wastewater systems that will be provided for each lot.

XI. LOCATION OF THE PROPOSED DEVELOPMENT TO ADJACENT LAND USE DISTRICTS AND CENTERS OF TRADING AND EMPLOYMENT

The Petition Area is in close proximity to Makawao Town and Pukalani Town, which are areas of trading and employment, located 8.0 and 6.0 miles away, respectively, from the Petition Area. Both towns include professional and business services, as well as established residential communities. Located to the southwest of the Petition Area are urbanized areas that include a restaurant, grocery store, and single-family residences.

XII. ECONOMIC IMPACTS OF THE PROPOSED RECLASSIFICATION OR DEVELOPMENT

The proposed development will benefit the social and economic welfare of the community by providing construction and construction-related employment during the build-out of the Project. As the resident population in the Makawao-Pukalani-Kula region continues to grow (projected to increase to 26,644 by year 2010 and 30,880 by year 2030), a significant increase in housing supply will be needed to accommodate this growth. Coupled with the current strong demand for affordable housing, the Project will provide much needed affordable housing, and in the long term, provide a more balanced housing market.

The proposed development will have minimal impact in terms of agriculture. As previously noted above, the Agricultural Impact Study of the Petition Area conducted by Decision Analysts Hawaii, Inc. concluded that the impact to the loss of agricultural land is minimal since a majority of the Petition Area has poor soil. In light of the study's conclusion and the demand for affordable housing, agricultural use of the entire Petition Area was not deemed practical or appropriate.

XIII. NEED FOR RECLASSIFICATION

Reclassification of the Petition Area from its current "Agricultural" designation to the "Urban" and "Rural" designations is necessary in order for Petitioner to develop the Petition Area. In addition, the Petition Area's "Interim" zoning does not allow for the proposed development. As previously stated above in the Background Section, pursuant to HRS § 201H-38, Petitioner submitted its Application for Affordable Housing Development to the Maui County Council on October 6, 2008 and a Revised Application on September 8, 2010 which was approved by the Maui County Council on October 19, 2010 by Resolution No. 10-57. Attached hereto as **Exhibit "12"** is a copy of Resolution No. 10-57. The Revised Application requested, among other things, exemptions from the Community Plan Amendment and Change in Zoning processes. However, the Revised Application did not seek an exemption from obtaining a district boundary amendment for the Petition Area so reclassification of the Petition Area as stated above is required.

XIV. CONFORMANCE WITH THE HAWAII STATE PLAN

The Hawaii State Plan, found in HRS § 226, is a comprehensive guide for the future long-range development of the State. Among other things, the Hawaii State Plan's purposes are to identify the goals, objectives, policies, and priorities for the State, provide a basis

for allocating limited resources, and improve coordination between federal, state, and county agencies.

A. Objectives and Policies of the Hawaii State Plan

The Hawaii State Plan also provides numerous objectives and policies for the State. In particular, the proposed reclassification conforms to the following objectives and policies:

Chapter 226-5, HRS, Objectives and Policies for Population

226-5(b) (1), HRS: Manage population growth statewide in a manner that provides increased opportunities for Hawai'i's people to pursue their physical, social and economic aspirations while recognizing the unique needs of each county.

226-5(b)(3), HRS: Promote increased opportunities for Hawai'i's people to pursue their socio-economic aspirations throughout the islands.

226-6, HRS, Objectives and Policies for the Economy—in General

226-6 (b)(6), HRS: Strive to achieve a level of construction activity responsive to, and consistent with, State growth objectives.

226-11, HRS, Objectives and Policies for the Physical Environment—Land-based, Shoreline and Marine Resources

226-11 (a)(2), HRS: Effective protection of Hawai'i's unique and fragile environmental resources.

226-11 (b)(3), HRS: Take into account the physical attributes of areas when planning and designing activities and facilities.

226-11(b)(8), HRS: Pursue compatible relationships among activities, facilities and natural resources.

226-12, HRS, Objectives and Policies for the Physical Environment—Scenic, Natural Beauty and Historic Resources

226-12(b)(5), HRS: Encourage the design of developments and activities that complement the natural beauty of the islands.

226-13, HRS, Objectives and Policies for the Physical Environment—Land, Air and Water Quality

226-13(b)(2), HRS: Promote the proper management of Hawai'i's land and water resources.

226-13(b)(6), HRS: Encourage design and construction practices that enhance the physical qualities of Hawai'i's communities.

226-13(b)(7), HRS: Encourage urban developments in close proximity to existing services and facilities.

226-19, HRS, Objectives and Policies for Socio-Cultural Advancement—Housing

226-19(a)(2), HRS: The orderly development of residential areas sensitive to community needs and other land uses.

226-19(b)(1), HRS: Effectively accommodate the housing needs of Hawai'i's people.

226-19(b)(3), HRS: Increase homeownership, rental opportunities and choices in terms of quality, location, cost, densities, style and size of housing.

226-19(b)(5), HRS: Promote design and location of housing developments taking into account the physical setting, accessibility to public facilities and services, and other concerns of existing communities and surrounding areas.

226-19(b)(7), HRS: Foster a variety of lifestyles traditional to Hawai'i through the design and maintenance of neighborhoods that reflect the culture and values of the community.

B. Priority Guidelines of the Hawai'i State Plan

The proposed action is in keeping with the following priority guidelines of the Hawai'i State Plan.

Chapter 226-104, HRS, Population Growth and Land Resources Priority Guidelines

- 226-104(a)(1), HRS: Encourage planning and resource management to ensure that population growth rates throughout the State are consistent with available and planned resource capacities and reflect the needs and desires of Hawaii's people.
- 226-104(b)(1), HRS: Encourage urban growth primarily to existing urban areas where adequate public facilities are already available or can be provided with reasonable public expenditures and away from areas where other important benefits are present, such as protection of important agricultural land or preservation of lifestyles.
- 226-104(b)(2), HRS: Make available marginal or non-essential agricultural lands for appropriate urban uses while maintaining agricultural lands of importance in the agricultural district.
- 226-104(b)(12), HRS: Utilize Hawaii's limited land resources wisely, providing adequate land to accommodate projected population and economic growth needs while ensuring the protection of the environment and the availability of the shoreline conservation lands, and other limited resources for future generations.

Chapter 226-106, HRS, Affordable Housing Priority Guidelines

- 226-106(1), HRS: Seek to use marginal or nonessential agricultural land and public land to meet housing needs of low- and moderate-income and gap-group households.
- 226-106(8), HRS: Give higher priority to the provision of quality housing that is affordable for Hawai'i's residents and less priority to development of housing intended primarily for individuals outside of Hawaii.

C. Functional Plans

The State Functional Plans implement the Hawaii State Plan by identifying needs, problems and issues, and by recommending policies and priority actions which address the identified areas of concern. The proposed reclassification request is consistent with the following State Functional Plans:

1. State Agriculture Functional Plan.

Petitioner seeks to have the Commission reclassify approximately 16.25 acres of land from the Agricultural to the Rural District. This area will allow the pursuit of agricultural and pasture land uses. The proximity of the Petition Area to existing and planned urban land uses, the minimal impact on available agricultural land on the island of Maui, and the need for affordable housing, provide a reasonable nexus and an appropriate foundation for the proposed reclassification request.

2. State Housing Functional Plan.

The Project's 70 affordable house-lot units and 46 market lots will help to address the critical community need for affordable housing and single-family housing opportunities.

3. State Recreational Functional Plan.

The Project's proposed dedication of 3.0 acres of park land adjacent to the existing Kula Community Center is consistent with the Recreational Functional Plan's goal of improving and expanding recreational facilities in urban areas and local communities.

XV. CONFORMANCE WITH THE COASTAL ZONE MANAGEMENT PROGRAM

Hawaii's Coastal Zone Management Program ("CZM"), found in HRS § 205A, establishes numerous objectives, policies, and standards to guide and regulate public and private uses in the coastal zone management area. The Petition Area involved in this Petition is not located within the coastal zone management area or the County of Maui's Special Management Area ("SMA").

XVI. CONFORMANCE WITH COUNTY GENERAL PLAN, COMMUNITY PLAN, AND ZONING

A. General Plan

Chapter 2.80B of the Maui County Code, relating to the General Plan and Community Plans, calls for a Countywide Policy Plan and a Maui Island Plan. The Countywide Policy Plan was adopted as Ordinance No. 3732 on March 24, 2010. The Maui Island Plan and Maui Island Plan Supplement are currently in the process of review and adoption by the Maui County Council.

With regard to the Countywide Policy Plan, Section 2.80B.030 of the Maui County Code states the following.

The countywide policy plan shall provide broad policies and objectives which portray the desired direction of the County's future. The countywide policy plan shall include:

1. *A vision for the County;*
2. *A statement of core themes or principles for the County; and*
3. *A list of countywide objectives and policies for population, land use, the environment, the economy, and housing.*

Core principles set forth in the Countywide Policy Plan are listed as follows:

1. *Excellence in the stewardship of the natural environment and cultural resources;*
2. *Compassion for and understanding of others;*
3. *Respect for diversity;*
4. *Engagement and empowerment of Maui County residents;*
5. *Honor for all cultural traditions and histories;*
6. *Consideration of the contributions of past generations as well as the needs of future generations;*
7. *Commitment to self-sufficiency;*
8. *Wisdom and balance in decision making;*
9. *Thoughtful, island-appropriate innovation; and*
10. *Nurturance of the health and well-being of our families and our communities.*

Congruent with these core principles, the Countywide Policy Plan identifies goals, objectives, policies and implementing actions for pertinent functional planning categories, which are identified as follows:

1. Protect the Natural Environment.
2. Preserve Local Cultures and Traditions.
3. Improve Education.
4. Strengthen Social and Healthcare Services.
5. Expand Housing Opportunities for Residents.
6. Strengthen the Local Economy.
7. Improve Parks and Public Facilities.
8. Diversify Transportation Options.
9. Improve Physical Infrastructure.
10. Promote Sustainable Land Use and Growth Management.
11. Strive for Good Governance.

The proposed reclassification and development will be consistent with Theme 5 of the Countywide Policy Plan which is to provide for needed residential housing. The proposed development will also assist in maintaining a viable economy as construction-related employment opportunities for residents would be generated during the build-out of the Project.

With respect to the Project, the following goals, objectives, policies and implementing actions are illustrative of the project's compliance with the Countywide Policy Plan.

1. **Expand Housing Opportunities for Residents.**

Goal: Quality, island-appropriate housing will be available to all residents.

Objective:

- Reduce the affordable housing deficit for residents.

Policies:

- Ensure that an adequate and permanent supply of affordable housing, both new and existing units, be made available for purchase or rental to our resident and/or workforce population, with special emphasis on providing housing for low- to moderate-income families, and ensure that all affordable housing remains affordable in perpetuity.
- Develop neighborhoods with a mixture of accessible and integrated community facilities and services.

Objective:

- Increase the mix of housing types in towns and neighborhoods to promote sustainable land use planning, expand consumer choice, and protect the County's rural and small-town character.

Policies:

- Design neighborhoods to foster interaction among neighbors.
- Encourage a mix of social, economic, and age groups within neighborhoods.
- Develop workforce housing in proximity to job centers and transit facilities.

2. Strengthen the Local Economy.

Goal: Maui County's economy will be diverse, sustainable, and supportive of community values.

Objective:

- Promote an economic climate that will encourage diversification of the County's economic base and a sustainable rate of economic growth.

Policies:

- Support economic decisions that create long-term benefits.
- Support home-based businesses that are appropriate for and in character with the community.

- Encourage businesses that promote the health and well-being of the residents, produce value-added products, and support community values.
- Support and encourage traditional host-culture businesses and indigenous agricultural practices.
- Support public and private entities that assist entrepreneurs in establishing locally operated businesses.

Objective:

- Diversify and expand sustainable forms of agriculture and aquaculture.

Policy:

- Encourage healthy and organic farm practices that contribute to land health and regeneration.
- Support cooperatives and other types of nontraditional and communal farming efforts.

3. Improve Parks and Public Facilities.

Goal: A full range of island-appropriate public facilities and recreational

opportunities will be provided to improve the quality of life for residents and visitors.

Objective:

- Expand access to recreational opportunities and community facilities to meet the present and future needs of residents of all ages and physical abilities.

Policies:

- Expand and enhance the network of parks, multi-use paths, and bikeways.
- Assist communities in developing recreational facilities that promote physical fitness.
- Promote the development and enhancement of community centers, civic spaces, and gathering places throughout our communities.
- Expand affordable access to recreational opportunities that support the local lifestyle.

Objective:

- Improve the quality and adequacy of community facilities.

Policies:

- Provide and maintain community facilities that are appropriately designed to reflect the traditions and customs of local cultures.
- Maintain, enhance, expand, and provide new active and passive recreational facilities in ways that preserve the natural beauty of their locations.

4. Improve Physical Infrastructure.

Goal: Maui County's physical infrastructure will be maintained in optimum condition and will provide for and effectively serve the needs of the County through clean and sustainable technologies.

Objective:

- Improve water systems to assure access to sustainable, clean, reliable, and affordable sources of water.

Policies:

- Ensure that adequate supplies of water are available prior to approval of subdivision or construction documents.
- Ensure a reliable and affordable supply of water for productive agricultural uses.

Objective:

- Improve the planning and management of infrastructure systems.

Policy:

- Ensure that infrastructure is built concurrent with or prior to development.

In summary, the Project is consistent with the themes and principles of the Countywide Policy Plan.

B. Maui Island Plan

The second component of the Maui County General Plan 2030 is the Maui Island Plan (“MIP”). The MIP will set forth an islandwide land use strategy for Maui and encompasses a managed and directed growth plan which includes the delineation of urban and rural growth boundaries. The MIP has undergone review by the General Plan Advisory Committee and the Maui Planning Commission and is currently under review by the Maui County Council. The General Plan Advisory Committee did not include the Petition Area within the urban or rural growth boundaries. However, the Maui Planning Commission recommended the inclusion of the Petition Area within the rural growth boundary for Kula. Then, the Planning Director’s transmittal of the MIP to the Maui County Council on October 16, 2009 excluded the Petition Area from the MIP’s directed growth boundaries. Finally, the Planning Department’s revised draft map for Kula (Map U3) issued in December 2010 includes a proposed rural growth boundary for the Petition Area. This revised map of the MIP has been submitted to the Maui County Council for review and consideration when the Council takes up its review of the draft MIP in 2011. It is noted that the respective regional community plans will be updated following the adoption of the MIP.

C. Makawao-Pukalani-Kula Community Plan

The Makawao-Pukalani-Kula Community Plan, one of nine (9) community plans for Maui County, is mandated by the Revised Charter of the County of Maui and the General Plan. Each region’s growth and development is guided by a community plan, which contains goals, objectives, and policies drafted in accordance with the General Plan.

The purpose of the community plan is to provide a relatively detailed agenda for implementing the objectives and policies of the General Plan. Included within the community

plans are the desired sequence, patterns, and characteristics of future developments for the particular region, as well as statements of standards and principles with respect to development and sequencing of future developments.

The Makawao-Pukalani-Kula Community Plan's current designation of approximately sixteen (16) acres of the Petition Area is "Single-Family" would allow for the proposed development. The remainder of the Petition Area (approximately 35.17 acres), however, is currently designated "Rural", which would not allow for the proposed development. Accordingly, pursuant to HRS § 201H-38, Petitioner's Revised Application was submitted to the Council on September 8, 2010 and was approved by the Maui County Council on October 19, 2010. See attached **Exhibit "12"**. The Revised Application requested, among other things, an exemption from the Community Plan Amendment process.

The Project is consistent with the following goals, objectives and policies set forth in the Makawao-Pukalani-Kula community plan:

1. **Economic Activity.**

Goal: A stable and diverse economic environment which supports a level of community prosperity in order to provide social services and environmental amenities and which respects the region's rural and agricultural lifestyle, open space, and natural resources.

Objectives and Policies:

- Provide for the preservation and enhancement of agricultural lands and operations, emphasizing the importance of promoting diversified agriculture to the region's economic base and lifestyle.
- Preserve agriculture by actively promoting locally grown agricultural products.

2. Land Use.

Goal: The maintenance and enhancement of Upcountry’s unique and diverse rural land use character with sensitivity to existing land use patterns, natural resource values, and economic and social needs of the region’s residents.

Objectives and Policies:

- Recognize the value of open space, including agricultural lands and view planes to preserve the region’s rural character.
- Encourage new residential developments in area which are contiguous extensions of, or infills within the established residential pattern, and which do not adversely affect agricultural uses.
- Ensure that adequate lands are set aside for recreational and open space purposes.
- Preserve and enhance the “country” atmosphere in all communities by maintaining the small-scale, unique and independent character of each of the three sub-regions. “Country” atmosphere is defined by building style, a low density mix of residences, ranches, open spaces, greenways, plantings, and cultivated lands.
- Make available agricultural lands for those who wish to farm.
- Ensure an adequate supply of lands designated for residential use to address the affordable and elderly housing needs of the region’s residents.

3. Urban Design.

Goal: Recognition and preservation of the unique design characteristics of the Makawao, Pukalani, and Kula communities in order to enhance Upcountry’s man-made environment.

Objectives and Policies:

- Support the revision of subdivision and roadway design criteria and standards to be more compatible with the rural character of the upcountry region.
- Preserve the unique characteristics of all of the Upcountry towns by recognizing and respecting architectural styles as described in the Country Town Design Guidelines.

- Support the development of pedestrian, equestrian and bikeway connections which provide safe and convenient linkages within and between Upcountry communities.

4. Housing.

Goal: Housing opportunities for the residents of Makawao-Pukalani-Kula, to include all income and age groups, which are affordable, safe, and environmentally and culturally compatible.

Objectives and Policies:

- Provide a mixture of housing types, smaller lot sizes, and coordinated assistance programs aimed at lowering housing costs and expanding housing opportunities.
- In keeping with public health and safety principles, and consistent with the Upcountry character, develop zoning, subdivision and design standards which will facilitate the development of affordable housing.

5. Social Infrastructure.

Goal: An efficient and responsive system of people-oriented public services which enable residents to live in a safe, healthy, and enjoyable lifestyle, and offer the youth and adults of the region opportunities and choices for self and community improvement.

Objectives and Policies:

- Pursue the development of equestrian trails, pathways, greenways, and related facilities which will meet the recreational needs of runners, joggers, walkers, horseback riders, and cyclists.

D. County Zoning

The Petition Area is currently zoned “Interim” by Maui County zoning. This zoning does not allow for the proposed development. As stated above, however, pursuant to HRS § 201H-38, Petitioner’s Revised Application was submitted to the Council on September 8, 2010 and was approved by the Maui County Council on October 19, 2010. See attached Exhibit

“12”. The Revised Application requested, among other things, an exemption from the Zoning Amendment process.

Although the Petition Area is classified as “Other” agricultural lands by the Agricultural Lands of Importance to the State of Hawaii (ALISH), approximately 16 acres of the Petition Area have agronomic conditions that are suitable for growing high-elevation crops. This acreage is located on the upper portion of the Petition Area where the large four 4-acre lots are planned for the Project which would allow for agricultural uses pursuant to Petitioner’s request to have this area re-designated from “Agricultural” to “Rural”. The remaining acreage of the Petition Area contains soils with low productivity ratings (“D” and “E”). The agricultural impact of the Project is near negligible as the Petition Area represents less than one percent of the roughly 244,600 acres of State Agricultural district lands on the island of Maui.

XVII. DEVELOPMENT OF THE PETITION AREA

Development of the Petition Area will be accomplished within ten (10) years after the date of the Commission’s approval.

XVIII. HAWAIIAN CUSTOMARY AND TRADITIONAL RIGHTS

Petitioner is aware of, and sensitive to, the existence and practice of native Hawaiian customary and traditional rights that are protected by Article XII, section 7 of the Hawaii State Constitution. Based on research into the history of the area which included an archaeological field inspection, there are no known traditional gathering activities or cultural practices affecting the Petition Area.

XIX. WRITTEN COMMENTS FROM AGENCIES AND ORGANIZATIONS

Written comments from the various agencies and organizations in regards to the proposed reclassification are included in the FEA.

XX. SERVICE OF PETITION

Pursuant to HAR § 15-15-48, copies of this Petition must be served upon the County of Maui Planning Department and Planning Commission, the State of Hawaii Office of Planning, and all persons with a Petition Area interest in the Petition Area.

Copies of this Petition will be served upon the above-named parties. An affidavit of compliance with this section is attached as **Exhibit "13"**. In accordance with HAR § 15-15-48(b), copies of this Petition will also be served upon potential intervenors upon receipt of a notice of intent to intervene pursuant to LUC Rule § 15-15-52(b).


XXI. CONCLUSION

The Project is located in an area that is in close proximity to existing urbanized areas and will address a portion of the significant demand for affordable housing. As previously mentioned, a portion of the Petition Area is specifically designated for such development as evidenced by the Makawao-Pukalani-Kula Community Plan and its "Single-Family" designation. In light of the need for affordable housing, proximity to urbanized areas, and negligible impact on the availability of agricultural lands on the island of Maui, the proposed development is a reasonable and appropriate use of the Petition Area.

Based on the foregoing, Petitioner respectfully requests that the Commission find that the Petition complies with the necessary requirements of a petition for boundary amendment pursuant to HAR § 15-15-50. Petitioner also respectfully requests that the Commission find that the proposed development meets the standards for determining urban district boundaries pursuant to HAR § 15-15-18 and rural district boundaries pursuant to HAR § 15-15-21, and therefore, grant the reclassification of 34.92 acres of the Petition Area from the Agricultural

District to the Urban District, and 16.25 acres of the Petition Area from the Agricultural District to the Rural District.

DATED: Wailuku, Hawaii, January 24, 2011.

A handwritten signature in black ink, appearing to read "B. Martin Luna", written over a horizontal line.

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 51.17)
Acres from the Agricultural District to the)
Urban and Rural Districts, Tax Map Key)
Nos. 2-3-001:174 and 023 (por.))
_____)

VERIFICATION

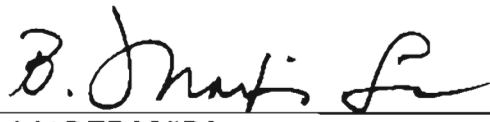
I, B. MARTIN LUNA, declare that:

1. I am the attorney for Petitioner Kula Ridge, LLC in the above-captioned matter;

2. I have read the Petition for District Boundary Amendment dated January 24, 2011, know the contents thereof; and that the contents therein contained are true to the best of my knowledge, information and belief.

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

DATED: Wailuku, Hawaii, January 24, 2011.



B. MARTIN LUNA

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 January 24, 2011, addressed to:

MARY LOU KOBAYASHI
Planning Program Administrator
Office of Planning , Land Use Division
State of Hawaii
P. O. Box 2359
Honolulu, Hawaii 96804

BY MAIL

BRYAN C. YEE
Deputy Attorney General
Department of the Attorney General
425 Queen Street
Honolulu, Hawaii 96813

BY MAIL

WILLIAM SPENCE
Director, Planning Department
County of Maui
250 South High Street
Wailuku, Maui, Hawaii 96793

BY HAND DELIVERY

PLANNING COMMISSION
County of Maui
250 South High Street
Wailuku, Maui, Hawaii 96793

BY HAND DELIVERY

PATRICK K. WONG
Acting Corporation Counsel
Department of the Corporation Counsel
County of Maui
200 South High Street
Wailuku, Maui, Hawaii 96793

BY HAND DELIVERY

MAUI ELECTRIC COMPANY, LIMITED
Attention: Mr. Greg Kauhi
P.O. Box 398
Kahului, Maui, Hawaii 96733-6898

BY MAIL

HAWAIIAN TELCOM INC.
Attention: Legal Department
P. O. Box 2200
Honolulu, Hawaii 96816

BY MAIL

KULA RIDGE MAUKA, LLC
1849 Wili Pa Loop
Wailuku, Hawaii 96793

BY HAND DELIVERY

DATED: Wailuku, Hawaii, January 24, 2011.



B. MARTIN LUNA

Attorney for Petitioner
KULA RIDGE, LLC

Exhibit "1"

Authorization of Kula Ridge Mauka, LLC

AUTHORIZATION

TO WHOM IT MAY CONCERN:

This will certify that KULA RIDGE MAUKA, LLC, a Hawaii limited liability company, is the owner of certain real property situate at Kula, Maui, State of Hawaii, more particularly described hereinbelow.

KULA RIDGE MAUKA, LLC hereby authorizes KULA RIDGE, LLC, and/or its designated representatives, to apply for all necessary permits and approvals relative to the development of said real property, including but not limited to applying for a Land Use District Boundary Amendment of said property.

Dated: January 12, 2011.

KULA RIDGE MAUKA, LLC

By *Clayton Nishikawa*
CLAYTON NISHIKAWA
Its Manager

TMK (2) 2-3-001:023

STATE OF HAWAII)
) ss.
COUNTY OF MAUI)

This document: AUTHORIZATION, dated January 12, 2011, which consists of one (1) page, was executed by CLAYTON NISHIKAWA on this 12th day of January, 2011 in the Second Judicial Circuit of the State of Hawaii, to me personally known to be the person, who personally appeared before me and being by me duly sworn or affirmed, did say that he is the Manager of KULA RIDGE MAUKA, LLC, a Hawaii limited liability company, and that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

Cathy F. Riley
[Notary Signature]

Printed Name: Cathy F. Riley

My commission expires: 10/02/2013

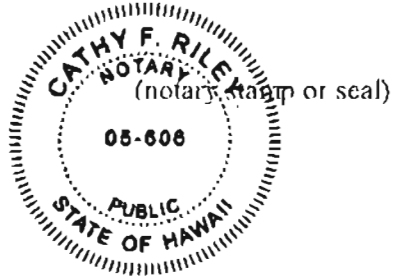


Exhibit "1"

Exhibit "2"

Authorization of Kula Ridge, LLC

AUTHORIZATION

TO WHOM IT MAY CONCERN:

This will certify that KULA RIDGE, LLC, a Hawaii limited liability company, is the owner of certain real property situate at Kula, Maui, State of Hawaii, more particularly described hereinbelow.

KULA RIDGE, LLC hereby authorizes B. MARTIN LUNA and CARLSMITH BALL LLP, its attorneys, and/or their respective designated representatives, to apply for all necessary permits and approvals relative to the development of said real property, including but not limited to applying for a Land Use District Boundary Amendment of said property.

Dated: January 12, 2011.

KULA RIDGE, LLC

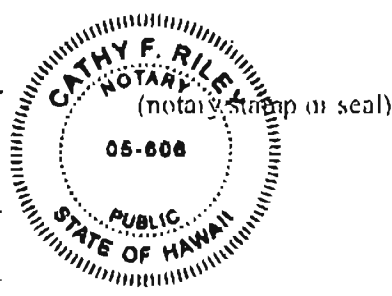
By [Signature]
CLAYTON NISHIKAWA
Its Manager

TMK (2) 2-3-001:174

STATE OF HAWAII)
) ss.
COUNTY OF MAUI)

This document: AUTHORIZATION, dated January 12 2011, which consists of one (1) page, was executed by CLAYTON NISHIKAWA on this 12th day of January 2011 in the Second Judicial Circuit of the State of Hawaii, to me personally known to be the person, who personally appeared before me and being by me duly sworn or affirmed, did say that he is the Manager of KULA RIDGE, LLC, a Hawaii limited liability company, and that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.

[Signature]
[Notary Signature]
Printed Name: Cathy F. Riley

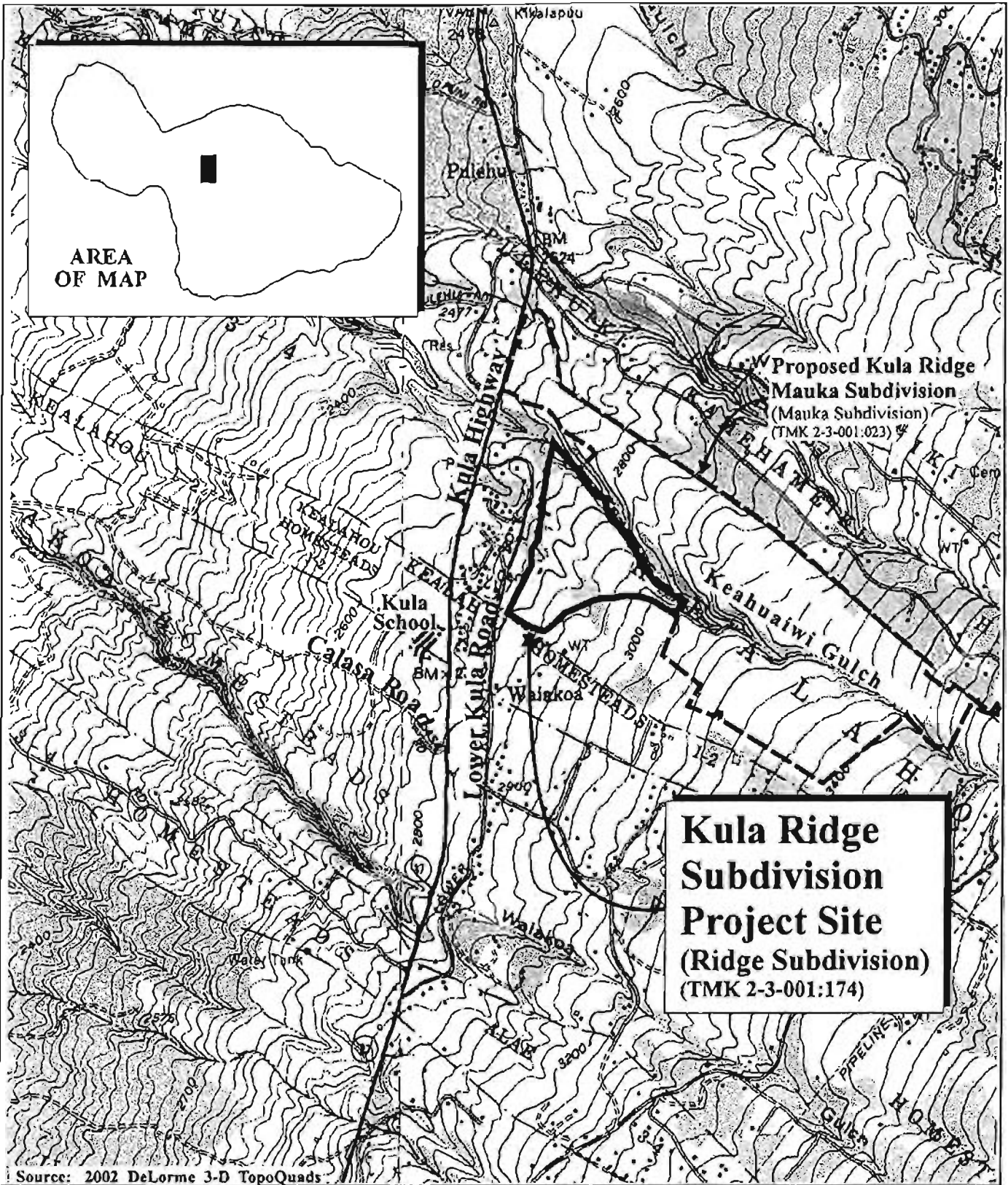


My commission expires: 10/02/2013

Exhibit "2"

Exhibit "3"

Regional Location Map



Proposed Kula Ridge Residential
 Workforce Housing Subdivision
 Regional Location Map

NOT TO SCALE



Exhibit "3"

Prepared for: Kula Ridge, LLC

MUNEKIYO & HIRAGA, INC.

NishiwaKulaAJRRegLocation

Exhibit "4"

Tax Map - TMK (2) 2-3-001

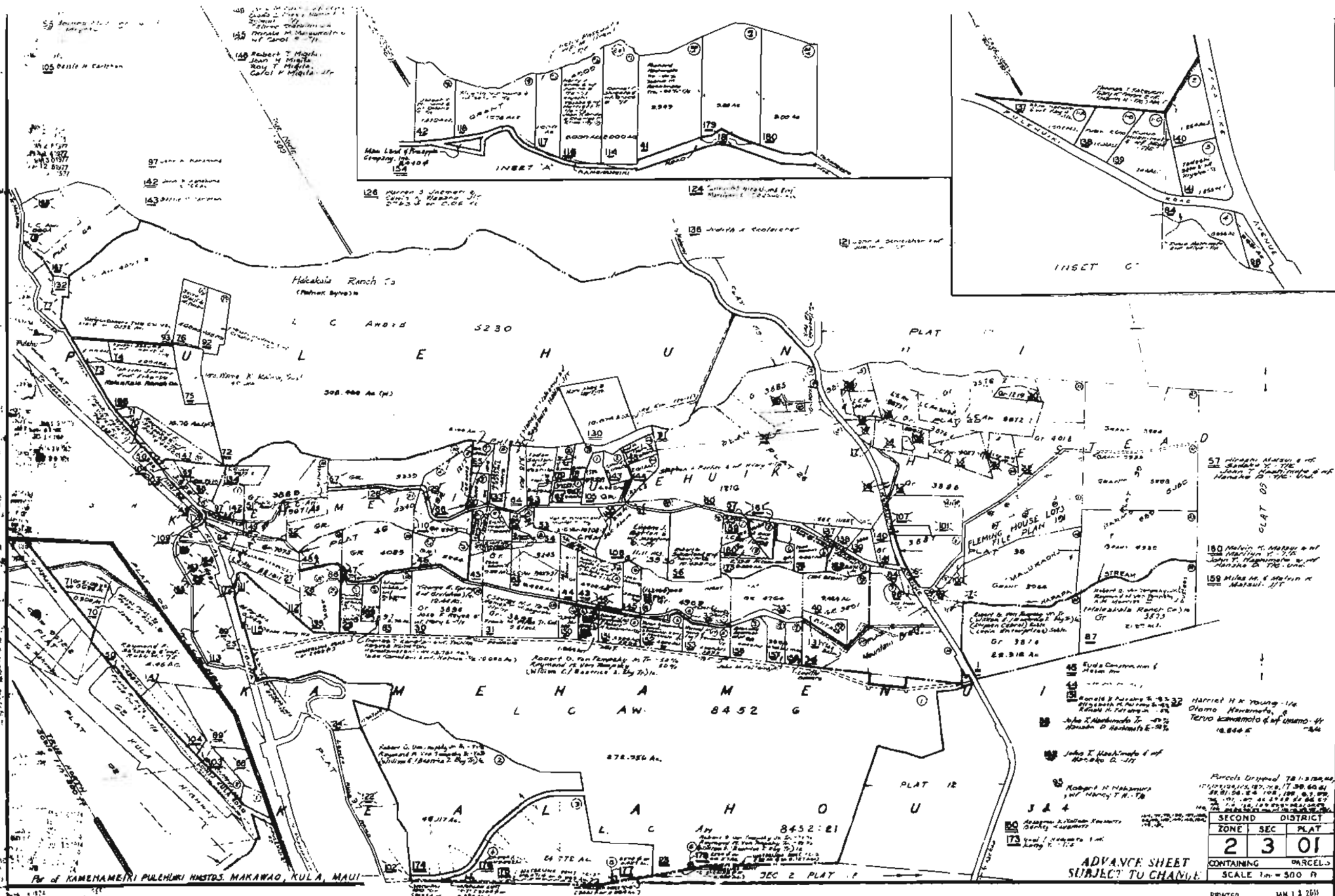


Exhibit "4"

SECOND DISTRICT		
ZONE	SEC	PLAT
2	3	01
CONTAINING PARCELS		
SCALE 1" = 300'		

PRINTED JAN 1 2 2011

Exhibit "5"

Aerial Photograph of Project Area

Exhibit "5"



Source: Ron Dahlquist Photography

**Proposed Kula Ridge Residential
Workforce Housing Subdivision
Aerial Photograph of Project Area**

NOT TO SCALE



Prepared for: Kula Ridge, LLC

MUNEKIYO & HIRAGA, INC.

Exhibit "6"

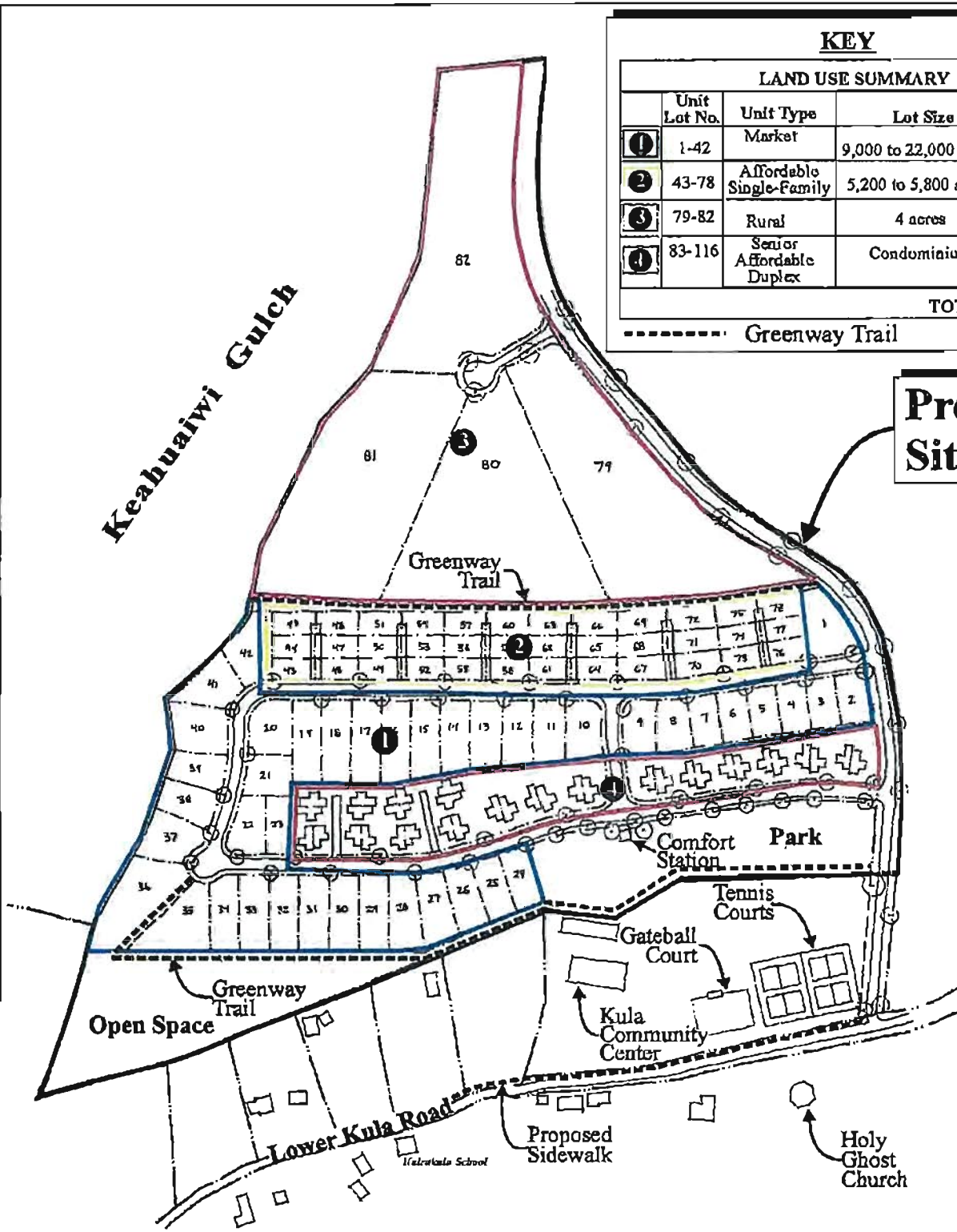
Revised Conceptual Site Plan

KEY

LAND USE SUMMARY			
Unit Lot No.	Unit Type	Lot Size	Quantity
① 1-42	Market	9,000 to 22,000 sq. ft.	42
② 43-78	Affordable Single-Family	5,200 to 5,800 sq. ft.	36
③ 79-82	Rural	4 acres	4
④ 83-116	Senior Affordable Duplex	Condominium	34
TOTAL			116

----- Greenway Trail

Project Site



Source: Architectural Design & Construction, Inc.

Proposed Kula Ridge Affordable Housing Subdivision
Revised Conceptual Site Plan

NOT TO SCALE



Exhibit "6"

Prepared for: Kula Ridge, LLC

MUNEKIYO & HIRAGA, INC.

Nishikawa/KulaA111107/Nov2011H/revised.sit

Exhibit "7"

Metes and Bounds Description
of Portion of TMK (2) 2-3-001:023

DESCRIPTION OF PORTION OF TMK (2) 2-3-001:023

(also known as Easement B-2)

All of that certain parcel of land, being Easement B-2 for access and utility purposes over, under and across Lot 1 in favor of Lots 2 and 3 of the G and R Von Tempsky Trust Subdivision (the map thereof not being recorded), 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 Hawaii and being more particularly described as follows:

Beginning at the Southwesterly corner of this easement, on the Northeasterly boundary of Grant 11988 to Louis Kaai Fernandez, said point being also the Southwesterly corner of said Lot 1 of the G and R Von Tempsky Trust Subdivision and the Southeasterly corner of the Randal and Dora Von Tempsky Memorial Park Lot [Tax Map Key: (2) 2-3-037:026], the coordinates of said point of beginning referred to Government Survey Triangulation Station "KIKALAPUU" being:

7,434.26 feet South
327.04 feet East

and running by azimuths measured clockwise from true South:

1. 208° 53' 00" 61.28 feet along said Randal and Dora Von Tempsky Memorial Park Lot [Tax Map Key: (2) 2-3-037: 026] and along the remainder of said Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole to a 3/4-inch pipe at the Southwest corner of said Lot 2 of the G and R Von Tempsky Trust Subdivision;

2. 304° 22' 00" 202.00 feet along said Lot 2 of the G and R Von Tempsky Trust Subdivision and along the remainder of said Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole to a 3/4-inch pipe;

Thence along same 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 to a 3/4-inch pipe;

4. 291° 13' 00" 151.09 feet along said Lot 2 of the G and R Von Tempsky Trust Subdivision and along the remainder of said Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole to a 3/4-inch pipe;

EXHIBIT "7"

Thence along same 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" 243.39 feet to a 3/4-inch pipe;
6. 243° 11' 00" 244.15 feet along said Lot 2 of the G and R Von Tempsky Trust Subdivision and along the remainder of said Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole to a 3/4-inch pipe;

Thence along same 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" 162.57 feet to a 3/4-inch pipe;
8. 260° 09' 00" 338.08 feet along said Lot 2 of the G and R Von Tempsky Trust Subdivision and along the remainder of said Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole to a 3/4-inch pipe;

Thence along same on the arc of a curve to the right, concave Southerly with a radius of 661.00 feet, the chord azimuth and distance being:

9. 282° 07' 30" 494.70 feet to a 3/4-inch pipe;
10. 304° 06' 00" 257.69 feet along said Lot 2 of the G and R Von Tempsky Trust Subdivision and along the remainder of said Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole to a 3/4-inch pipe;
11. 304° 06' 00" 9.91 feet along the remainders of said Lot 1 of the G and R Von Tempsky Trust Subdivision and said Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole;

Thence along same on the arc of a curve to the left, concave Northerly with a radius of 20.00 feet, the chord azimuth and distance being:

12. 283° 54' 58" 13.80 feet to a point of reverse curvature;

Thence along the remainders of said Lot 1 of the G and R Von Tempsky Trust Subdivision and said 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 43.00 feet, the chord azimuth and distance being:

13. 328° 54' 58" 78.06 feet;

Thence along the remainders of said Lot 1 of the G and R Von Tempsky Trust Subdivision and said Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole, on the arc of a curve to the right, concave Southerly with a radius of 43.00 feet, the chord azimuth and distance being:

14. 99° 17' 02" 78.06 feet to a point of reverse curvature;

Thence along the remainders of said Lot 1 of the G and R Von Tempsky Trust Subdivision and said 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 20.00 feet, the chord azimuth and distance being:

15. 144° 17' 02" 13.80 feet to a 3/4-inch pipe on the Northerly boundary of said Lot 3 of the G and R Von Tempsky Subdivision;

16. 124° 06' 00" 267.60 feet along said Lot 3 of the G and R Von Tempsky Trust Subdivision and along the remainder of said Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole to a 3/4-inch pipe;

Thence along same on the arc of a curve to the left, concave Southerly with a radius of 605.00 feet, the chord azimuth and distance being:

17. 102° 07' 30" 452.78 feet to a 3/4-inch pipe;

18. 80° 09' 00" 338.08 feet along said Lot 3 of the G and R Von Tempsky Trust Subdivision and along the remainder of said Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole to a 3/4-inch pipe;

Thence along same on the arc of a curve to the left, concave Southeasterly with a radius of 495.00 feet, the chord azimuth and distance being:

19. 71° 40' 00" 146.05 feet to a 3/4-inch pipe;

20. 63° 11' 00" 244.15 feet along said Lot 3 of the G and R Von Tempsky Trust Subdivision and along the remainder of said Royal Patent 7453, Land Commission Award 8452, Apana 21 to A. Keohokalole to a 3/4-inch pipe;

Thence along same on the arc of a curve to the right, concave Northerly with a radius of 355.00 feet, the chord azimuth and distance being: