

**3. LETTERS RECEIVED AFTER
FILING THE FINAL
ENVIRONMENTAL
ASSESSMENT AND RESPONSES
TO SUBSTANTIVE COMMENTS**

JAN 13 2010

CHARMAINE TAVARES
Mayor



JEFFREY K. ENG
Director

ERIC H. YAMASHIGE, P.E., L.S.
Deputy Director

DEPARTMENT OF WATER SUPPLY
COUNTY OF MAUI
200 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAII 96793-2155
www.maiewater.org

January 5, 2010

Ms. Lori Tsuhako
Director of Housing and Human Concerns
200 South High Street
Wailuku, Hawaii 96793

Re: TMK: (2) 4-9-002:058 (por.)
Project Name: Proposed Lanai Affordable Housing Project Draft Environmental
Assessment and Preliminary 201H Application

Dear Ms. Tsuhako:

Thank you for the opportunity to comment on this Draft Environmental Assessment (DEA). Attached you will find our comment letter dated March 20, 2009, as well as the August 20, 2009 response from the consultant, Colleen Suyama of Munekiyo & Hiraga, Inc.

Source Availability and Consumption

The response to our comment letter stated that the preliminary engineering report for the project would address the estimated water use for the project. We understand that the preliminary engineering report and EA have been revised to include an estimated consumption of 278,000 gallons per day. Anticipated demand would range from 176,595 - 257,025 gallons per day at full build-out, according to system standards. The October 9, 2009 Draft Water Use and Development Plan for Lanai included an estimate of 219,000 gallons per day for this project based upon per acre residential standards only. Potable water service to the proposed project will be provided by Wells 6 and 8.

System Infrastructure

Potable water for the proposed project will be served by a Lanai Water Company by extending the existing 8-inch water line from 5th Street, according to the DEA. Fire flow will be reviewed by the fire department. Domestic and irrigation calculations will be reviewed during the building permit process in accordance to system standards.

Pollution Prevention

In order to protect ground and surface water sources, we encourage Best Management Practices (BMPs) designed to minimize infiltration and runoff from construction. The mitigation measures

"By Water All Things Find Life"

The Department of Water Supply is an Equal Opportunity provider and employer. To file a complaint of discrimination, write: USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington DC 20250-9410. Or call (202) 720-5964 (voice and TDD)

Printed on recycled paper



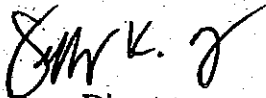
Proposed Lanai Affordable Housing Project
Page 2

below should be noted in the EA and implemented during construction:

- Prevent cement products, oil, fuel and other toxic substances from leaching into the water.
- Properly and promptly dispose of all loosened and excavated soil and debris material from drainage structure work.
- Retain ground cover until the last possible date.
- Stabilize denuded areas by sodding or planting as soon as possible. Replanting should include soil amendments and temporary irrigation. Use high seeding rates to ensure rapid stand establishment.
- Avoid fertilizers and biocides, or apply only during periods of low rainfall to minimize chemical run-off.
- Keep run-off on site.

Should you have any questions, please contact our Water Resources and Planning Division at 808-244-8550.

Sincerely,



Jeffrey K. Eng, Director

mlb

cc: consultant, engineering division

CHARMAINE TAVARES
Mayor



JEFFREY K. ENG
Director

ERIC H. YAMASHIGE, P.E., L.S.
Deputy Director

DEPARTMENT OF WATER SUPPLY
COUNTY OF MAUI
200 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAII 96793-2155
www.mauiwater.org

March 20, 2009

Ms. Colleen Suyama, Project Manager
Munekiyo & Hiraga, Inc.
305 High Street
Wailuku, Hawaii 96793



Dear Ms. Suyama:

SUBJECT: Early Consultation on 201-H Lanai Housing Project in Lanai City
TMK: (2) 4-9-002:058--Development of an Affordable Housing on a 73-acre Lot

Thank you for the opportunity to provide comments on this project proposal.

The EA should address: 1) anticipated potable and non-potable water source, 2) estimated potable and non-potable water use, 3) intended density per acre and, 4) an anticipated build out schedule (2010, 2015, 2020, 2025, 2030 and beyond 2030). The 1997 Water Working Group Report (WWGR) is the existing working document used in determining water use allocations. Table A6 of this report indicates that 518 housing units can be constructed on the 115-acre county housing lot assuming a maximum density of 4.5 units/acre. Using this assumption, the estimated daily demand for the 73-acre project would be around 197,000 gallons based on system standards.

In order to reduce demand on potable water systems, we encourage the applicant consider the following water conservation measures in the project design and construction:

Use Climate-adapted Plants: The project is located in the Maui County Planting Plan - Plant Zones 3 & 5. We encourage the applicant to utilize appropriate native and non invasive species and avoid the use of potentially invasive plants. Native plants adapted to the area, conserve water and protect the watershed from degradation due to invasive alien species. Attached is a list of appropriate plants for the zones as well as potentially invasive plants to avoid.

Utilize Low-Flow Fixtures and Devices: Maui County Code Subsection 16.20A.680 requires the use of low-flow water fixtures and devices in faucets, showerheads, urinals, water closets, and hose bibs. Water conserving washing machines, ice-makers and other units are also available.

Toilets that meet the EPA Water Sense criteria are recommended. These toilets use on average 1.28 gallons per flush or less. The Department of Water Supply has tried these in a county owned facility and found substantial savings.

"By Water All Things Find Life"

Early Consultation on 201-H Lanai Housing Project in Lanai City

Maintain Fixtures to Prevent Leaks: A simple, regular program of repair and maintenance can prevent the loss of hundreds or even thousands of gallons a day. Refer to the attached handout, "The Costly Drip".

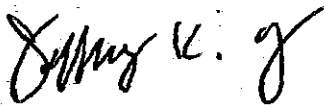
Eliminate Single-Pass Cooling: Single-pass, water-cooled systems should be eliminated per Maui County Code Subsection 14.21.20. Although prohibited by code, single-pass water cooling is still manufactured into some models of air conditioners, freezers, and commercial refrigerators.

Look for Opportunities to Conserve Water: A few examples of these are as follows:
When clearing driveways, etc. of debris, use a broom instead of a hose; check for leaks in faucets and toilet tanks.

In order to protect groundwater resources, we recommend that the applicant utilize Best Management Practices designed to minimize infiltration and runoff during construction.

Should you have any questions, please contact our Water Resources and Planning Division at (808) 244-8550.

Sincerely,



Jeffrey K. Eng
Director

eam

c: Lanai Water Advisory Committee

Applicant, with attachments:

The Costly Drip

Maui County Planting Plan-Saving Water in the Yard - What and How to Plant in Your Area

RECEIVED

2009 AUG 24 PM 3:29

DEPT. OF WATER SUPPLY
COUNTY OF MAUI

0809087
082409

MICHAEL T. MUNEKIYO
GWEN OHASHI HIRAGA
MITSURU "MICH" HIRANO
KARLYNN FUKUDA

MARK ALEXANDER ROY

August 20, 2009



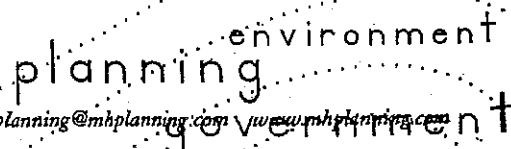
Jeffrey K. Eng, Director
Department of Water Supply
County of Maui
200 South High Street
Wailuku, Hawai'i 96793

SUBJECT: Early Consultation on the Draft Environmental Assessment (EA) for the Lana'i Affordable Housing Project at TMK (2) 4-9-002:058 (por.), Lana'i City, Lanai

Dear Mr. Eng:

Thank you for your letter dated March 20, 2009. Since the 1997 Water Working Group Report (WWGR) the Lana'i Affordable Housing project has been scaled down to encompass 73 acres of the 115 acre parcel. The remaining 42 acres will be transferred to the Department of Education for the expansion of the Lanai High and Elementary School. The 518 units proposed in 1997 has correspondingly been reduced. The project will include a total of 412 units consisting of 239 single family units and 173 multi-family units at a density of 12 units/acre.

The Preliminary Engineering Report for the project will address the estimated water use for the project. Water for the project will be from the private Lanai Water Company. As a limited resource, the water conservation measures recommended by your Department will be incorporated into the project to the extent practicable.



Jeffrey K. Eng, Director
Page 2
August 18, 2009

Should you require additional clarification please call me at 244-2015 or email planning@mhplanning.com. A copy of the Draft Environmental Assessment will be forwarded to your agency.

Very truly yours,



Colleen Suyama
Project Manager

CS:yp

cc: JoAnn Ridao, Deputy Director, Department of Housing and Human Concerns
Dwight Mitsunaga, Pacific Architects
Donald Okuhara, Okuhara & Associates

F:\DATA\PA\LocalCityHousing\DWS.ECres.doc



MICHAEL T. MUNEKIYO
GWEN OHASHI HIRAGA
MITSURU "MICH" HIRANO
KARLYNN FUKUDA

MARK ALEXANDER ROY

January 21, 2010

Jeffrey Eng, Director
Department of Water Supply
200 S. High Street
Wailuku, Hawaii 96793

SUBJECT: Draft Environmental Assessment and Preliminary 201H Application for the Lanai Affordable Housing Project at TMK (2) 4-9-002:058 (por), Lanai City, Lanai, Hawaii

Dear Mr. Eng:

Thank you for your letter of January 5, 2010 providing comments on the subject project. Since your letter was received after the filing of the Final Environmental Assessment and Finding of No Significant Impact (FONSI) with the Office of Environmental Quality Control, it will instead be included in the 201H-38 Application to be filed with the Maui County Council's Public Services Committee.

As much as may be practicable, the project will implement the recommended Best Management Practices (BMPs). Should you have any questions, please contact me at any time at 244-2015.

Very truly yours,

A handwritten signature in black ink, appearing to read "Colleen Suyama", written over a horizontal line.

Colleen Suyama
Project Manager

cc: JoAnn Ridao, Deputy Director, DHHC
Dwight Mitsunaga, Pacific Architects Inc.
Donald Okahara, Okahara & Associates Inc.

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DEPARTMENT OF THE ARMY
U.S. ARMY CORPS OF ENGINEERS, HONOLULU DISTRICT
FORT SHAFTER, HAWAII 96858-5440

JAN 19 2010

REPLY TO
ATTENTION OF:

January 15, 2010

Regulatory Branch

POH-2009-00084

Lori Tsuhako
Director of Housing and Human Concerns
County of Maui
200 South High Street
Wailuku, Hawaii 96793

Dear Ms. Tsuhako:

This is in response to your November 17, 2009 letter requesting a Department of the Army review of a Draft EA (EA) for the proposed Lanai Affordable Housing Project located within TMK (2) 4-9-002:058 (por) in Lanai City, Island of Lanai, Hawaii.

Your proposed project was reviewed pursuant to Section 10 of the Rivers and Harbors Act of 1899 (Section 10) and Section 404 of the Clean Water Act (Section 404). Section 10 requires that a DA permit be obtained for certain structures or work in or affecting navigable waters of the United States (U.S.), prior to conducting the work (33 U.S.C. 403). Section 404 requires that a DA permit be obtained for the placement or discharge of dredged and/or fill material into waters of the U.S., including wetlands, prior to conducting the work (33 U.S.C. 1344).

We have determined, and agree with the findings in the EA, that the project will not impact a water of the U.S. and, as such, will not require a DA permit. We urge you, however, to follow Best Management Practices to control erosion and runoff that may find its way to other waters of the U.S. which are not located on the project parcels.

This letter contains an approved JD for the property in question. If you object to this determination, you may request an Administrative Appeal under Corps regulations at 33 Code of Federal Regulations (CFR) Part 331. We have enclosed a Notification of Appeal Process and Request For Appeal (NAP/RFA) form. If you request to appeal this determination you must submit a completed RFA form to the Corps' Pacific Ocean Division office at following address:

Thom Lichte, Appeals Review Officer
U.S. Army Corps of Engineers
Pacific Ocean Division, ATTN: CEPOD-PDC
Building 525
Fort Shafter, HI 96858-5440

In order for an NAP/RFA to be accepted by the Corps, the Corps must determine that the RFA is complete, that it meets the criteria for appeal under 33 CFR Part 331.5, and that it has

been received by the Division office within 60 days of the date of the NAP/RFA sheet. If you decide to submit an NAP/RFA form, it must be received at the above address by March 6, 2010. It is not necessary to submit an NAP/RFA form to the Division office if you do not object to the determination in this letter.

This jurisdiction determination is valid for a period of five (5) years from the date of this letter unless new information warrants revision of the delineation before the expiration date.

Thank you for giving us the opportunity to review this proposal and for your cooperation with our regulatory program. Please be advised you can provide comments on your experience with the Honolulu District Regulatory Branch by accessing our web-based customer survey form at <http://per2.nwp.usace.army.mil/survey.html>.

Should you have any questions, please contact Bob Deroche of this office at the above address or telephone 808-438-2039 (FAX: 808-438-4060) or by E-Mail at robert.d.deroche2@usace.army.mil. Please refer to File No. POH-2009-00084 in all future communications with this office regarding this or other projects at this location.

Sincerely,


for

George P. Young, P.E.
Chief, Regulatory Branch

Enclosures

Flowchart
RFA Document
Approved JD

Copy Furnished:

Colleen Suyama, Munekiyo & Hiraga, Inc., 305 High Street, Suite 104, Wailuku, Hawaii 96793

4. LAND OWNERSHIP DOCUMENTATION

NC
NC
Issue

L-418 STATE OF HAWAII
OFFICE OF ASSISTANT REGISTRAR
RECORDED

NOV 13, 1998 03:15 PM

Doc No(s) 2499792

on Cert(s) 469,176

Issuance of Cert(s) 521,026

/s/ CARL T. WATANABE
ASSISTANT REGISTRAR

CONVEYANCE TAX: \$0.00

R

REGULAR SYSTEM

per

Return by Mail () Pickup (✓) To:

CASTLE & COOKE LAND COMPANY, INC.
P. O. Box 2990
Honolulu, Hawaii 96802

CKurasaki 5412909

Tax Map Key No.: (2) 4-9-2: por I

**WARRANTY DEED
WITH
USE RESTRICTION**

THIS DEED, made this 27th day of October, 1998, by and between
CASTLE & COOKE, INC., a Hawaii corporation, hereinafter called the "Grantor",
and COUNTY OF MAUI, a municipal corporation of the State of Hawaii, whose
principal place of business and post office address is 200 South High Street, Wailuku,
Maui, Hawaii 96793, hereinafter called the "Grantee",

WITNESSETH:

That the Grantor, for good and valuable consideration, does hereby grant, bargain,
sell and convey unto the Grantee, its successors and assigns, the property described in
Exhibit A, attached hereto and made a part hereof,

EXCEPTING AND RESERVING, HOWEVER, unto the Grantor and its successor and assigns, an easement for underground sewer, drainage, flowage and water facilities, under, along, and through Easement 148 shown on Map 14 together with rights of reasonable access thereto in connection with the exercise of said easement rights and together also with the right to grant to the State of Hawaii, the County of Maui, any appropriate governmental agency, public utility, or private utility, and/or any other corporation, partnership or individual, easement(s) for any such purposes, under, along, and through said Easement 148 as required by the grantee of such easement rights.

EXCEPTING AND RESERVING ALSO, HOWEVER, unto the Grantor and its successor and assigns, easements for sewer, drainage, drainline, flowage and water facilities, over, under, across, along, upon and through the property hereby conveyed, which easements are or may be so designated on any existing or subsequent map or maps of Land Court Application 862 or Land Court Consolidation 170, including any easements described in Exhibit A attached hereto, and/or on any subdivision map which includes all or any portion of said property, together with the right to designate additional easements within the property for the aforesaid purposes, if necessary or desirable, provided that easements not yet designated do not unreasonably interfere with residential use of the property, and together also with rights of reasonable access thereto in connection with the exercise of said easement rights, and together also with the right to grant to the State of Hawaii, the County of Maui, any appropriate governmental agency, public utility, or private utility, and/or any other corporation, partnership or individual, easement(s) for any such purposes over, under, across, along, upon and through the granted premises under the usual terms and conditions as required by the grantee of such easement rights.

TO HAVE AND TO HOLD the same, together with the rents, issues and profits thereof, the improvements thereon, and the tenements, rights, easements, privileges and appurtenances thereunto belonging or appertaining or held and enjoyed therewith unto the Grantee, its successors and assigns, absolutely and in fee simple, except as set forth herein, forever.

AND the Grantor does hereby, for itself and its successors, covenant with the Grantee, its successors and assigns, that it is lawfully seized in fee simple of the granted premises and has good right to sell and convey the same in the manner aforesaid; that said premises are free and clear of all encumbrances, except as aforesaid, and except for real property taxes for the current year, which are to be prorated as of the date of recordation of this instrument; and that it will and its successors shall, warrant and defend the same unto the Grantee, its successors and assigns, forever, against the lawful claims and demands of all persons, except as aforesaid.

AND the Grantee, for itself and its successors and assigns, does hereby further consent and agree to the grant by Grantor, its successors or assigns, of the easement rights reserved, to the persons and entitles specified in the reservation referred to above, and agrees on request to join in and confirm any such grant.

AND Grantee does hereby, for itself and its successors and assigns, further covenant and agree, as a covenant running with the land, as follows:

1. The property hereby conveyed shall be used only for an affordable housing project, including parks and other public uses and amenities usually associated with residential housing, and for no other purpose.

2. Any affordable housing project constructed on the property shall be similar in design, quality and density to recent affordable housing developments on the Island of Lanai, including by way of example the Olopuia Woods project.

3. The covenants set forth in this deed ("Covenants") shall be covenants running with the land, for the benefit of the Grantor and Lanai Company, Inc., a Hawaii corporation ("LCI"), and their respective successors and assigns.

4. Grantor and LCI, and their successors and assigns, shall have the right (but not the obligation) to enforce the Covenants by an action at law or in equity, including an action for injunctive relief, but excluding specific performance. Grantor's and LCI's remedies are cumulative and nonexclusive, and the failure at any time to enforce the Covenants shall not constitute a waiver of any right to enforce the Covenants at any other time.

5. The invalidity or unenforceability of any of the Covenants shall not affect the validity or enforceability of any other of the Covenants or any valid or enforceable part of any such Covenants. The Covenants do not create in either Grantor or LCI a reversionary right or a right of re-entry.

The term "Grantor" whenever used herein means the Grantor and its successors and assigns, and the term "Grantee" whenever used herein means the Grantee and its successors and assigns, and the rights and obligations of the Grantor and Grantee shall be binding upon and inure to the benefit of their respective successors and assigns.

IN WITNESS WHEREOF the Grantor and the Grantee have caused these presents to be duly executed the day and year first above written.

CASTLE & COOKE, INC.

COUNTY OF MAUI

By Wallace Mupahira
Its President, Hawaii Residential
and Commercial Operations

By [Signature]
Its Mayor

By [Signature]
Its Senior Vice President

Grantee

Grantor

APPROVED AS TO FORM AND
LEGALITY

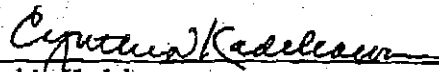
APPROVED AS TO FORM

R. Strum
Attorney for Grantor

Juliana B. Koller
JULIANA B. KOLLER
Deputy Corporation Counsel County of
Maui

STATE OF HAWAII)
) SS.
CITY AND COUNTY OF HONOLULU)

On this 27th day of October, 1998, before me appeared WALLACE MIYAHIRA and PATRICK J. BIRMINGHAM, to me personally known, who, being by me duly sworn, did say that they are the President, Hawaii Residential and Commercial Operations and Senior Vice President, respectively, of CASTLE & COOKE, INC., a Hawaii corporation; that said instrument was signed in behalf of said corporation by authority of its Board of Directors, and the said officers acknowledged said instrument to be the free act and deed of said corporation.


Cynthia Kadekawa
Notary Public, State of Hawaii

My commission expires: 3/22/2002

STATE OF HAWAII)
) SS.
COUNTY OF MAUI)

On this 2nd day of November, 1998, before me appeared LINDA LINGLE, to me personally known, who, being by me duly sworn, did say that she is the Mayor of the County of Maui, a body politic and corporate, and a political subdivision of the State of Hawaii, and that the seal affixed to the foregoing instrument is the lawful seal of said County of Maui and that said instrument was signed and sealed on behalf of said County of Maui by authority of its Council, and said LINDA acknowledges said instrument to be the free act and deed of said County of Maui.

Marsha E. Carvin
Print Name: Marsha E. Carvin
Notary Public, State of Hawaii

My commission expires: 12-7-99 ^{VS}

All of that certain parcel of land situate on the Island of Lanai, State of Hawaii, described as follows:

Lot 13-A-1-C, area 102.234 acres, as shown on Map 15 filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Consolidation 170 of Castle & Cooke, Inc.;

Being the land described in Transfer Certificate of Title No. 469,176 issued to Castle & Cooke, Inc.

SUBJECT, HOWEVER, to the following:

1. Easement 148 (10 feet wide) for sewer force main purposes, as shown on Map 14, as set forth by Land Court Order 132974.
2. Subdivision Agreement (Large Lot), dated June 9, 1988, by and between Castle & Cooke, Inc. and the County of Maui, filed as Document No. 1558116.
3. Subdivision Agreement (Large Lot), dated December 28, 1988, by and between Castle & Cooke, Inc. and the County of Maui, filed as Document No. 1633943.
4. Subdivision Agreement (Three Lots or Less), dated April 26, 1989, by and between Castle & Cooke, Inc. and the County of Maui, filed as Document No. 1633944.
5. Subdivision Agreement (Large Lot), dated November 5, 1992, by and between Dole Food Company, Inc. and the County of Maui, filed as Document No. 2025213.
6. Subdivision Agreement (Agricultural Use), dated November 5, 1992, by and between Dole Food Company, Inc. and the County of Maui, filed as Document No. 2070238.
7. Declaration of Covenants, dated April 5, 1989, by Castle & Cooke, Inc. to develop a privately-owned water source, transmission and distribution system for Water Wells Nos. 6 and 7 to satisfy and water requirements for the property and to utilize the water system in accordance with all applicable regulations of the State of Hawaii, recorded in the Bureau of Conveyances in Liber 23036 at page 152 pursuant to Land Court Order No. 117429, filed July 25, 1994.

EXHIBIT A

5. SITE PHOTOGRAPHS



PHOTO NO. 1 - View from Southwest Corner of Property

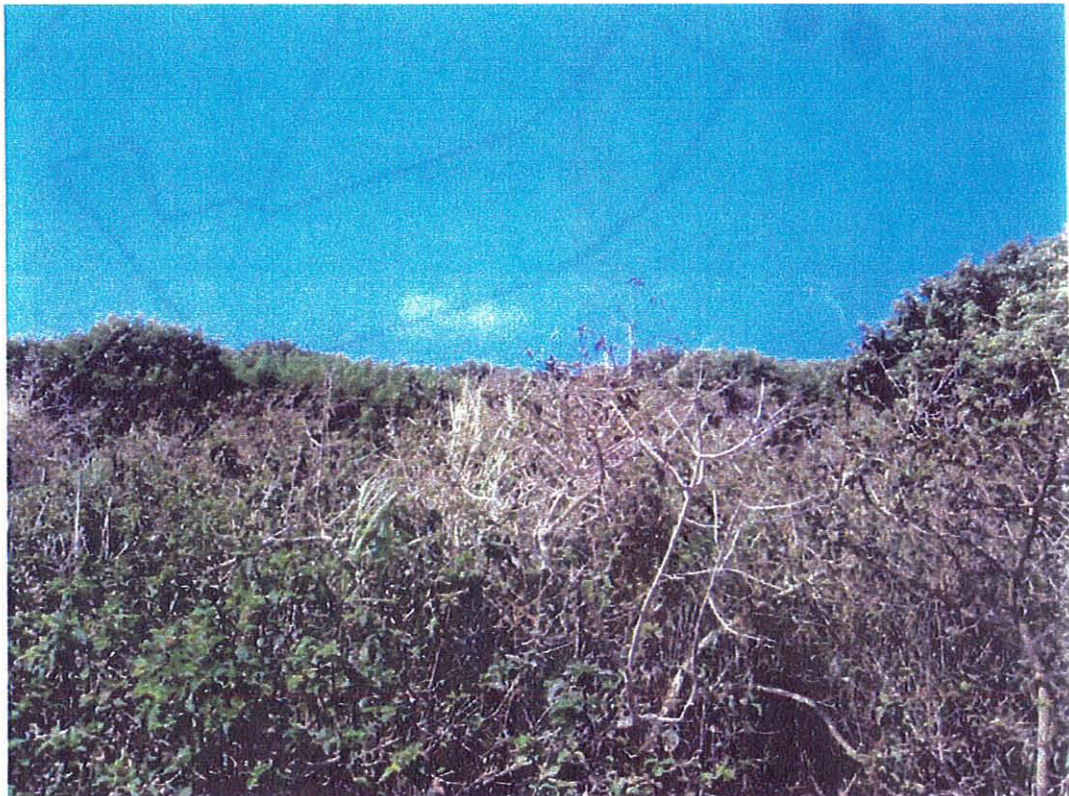
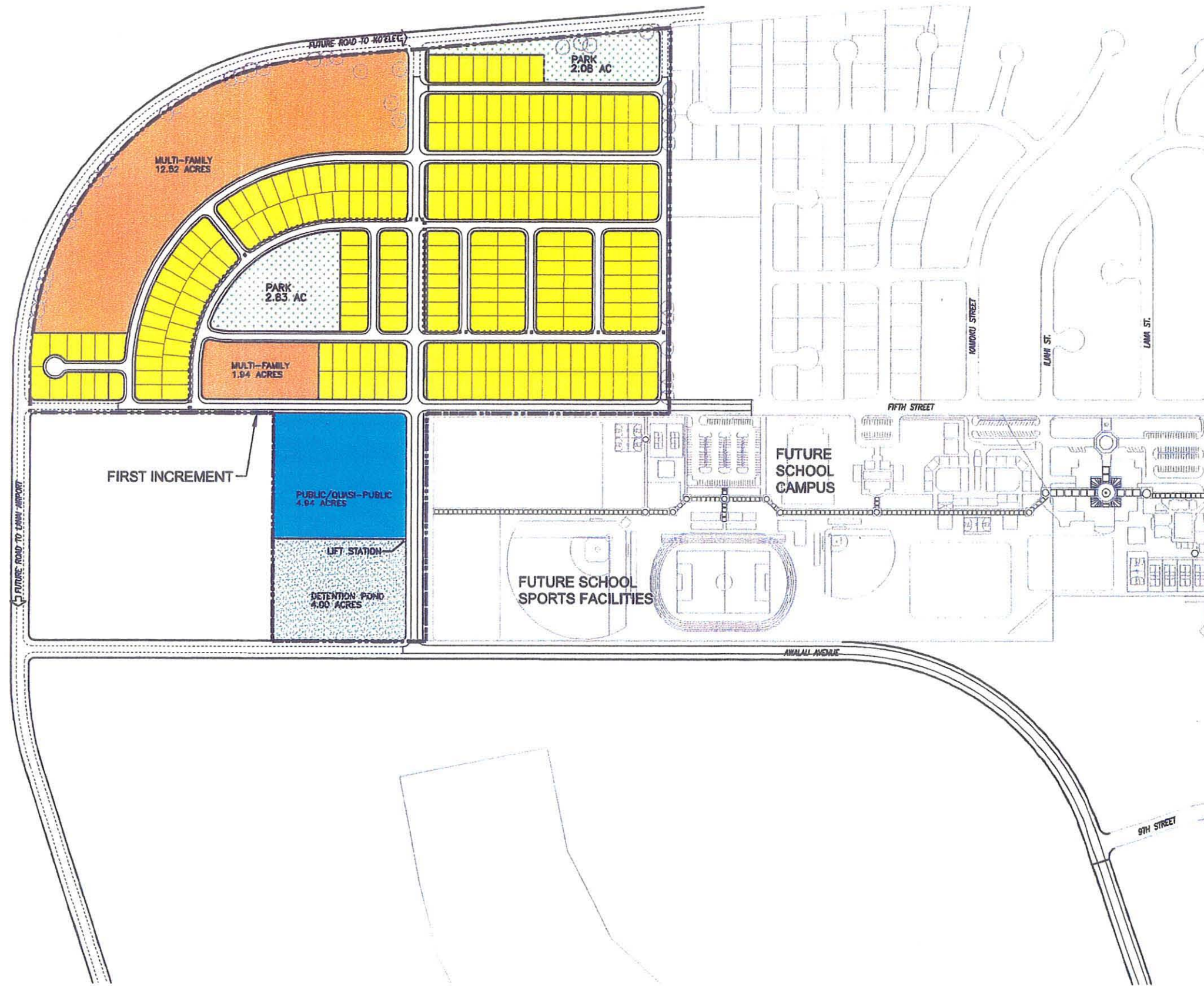


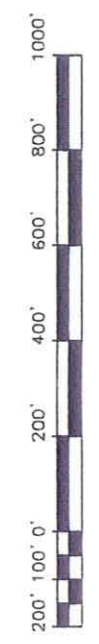
PHOTO NO. 2 - View of Existing Vegetation Onsite

6. PRELIMINARY PROJECT PLANS



- MULTI-FAMILY
- SINGLE FAMILY
- PUBLIC/QUASI-PUBLIC
- PARK
- OPEN SPACE

INDIVIDUAL PLOTS (5000sf)	239 UNITS
MULTI-FAMILY	14.46 ACRES
QUASI-PUBLIC	4.94 ACRES
PARK REQUIRED	3.23 ACRES
PARK PROVIDED	4.91 ACRES
OPEN SPACE	4.00 ACRES

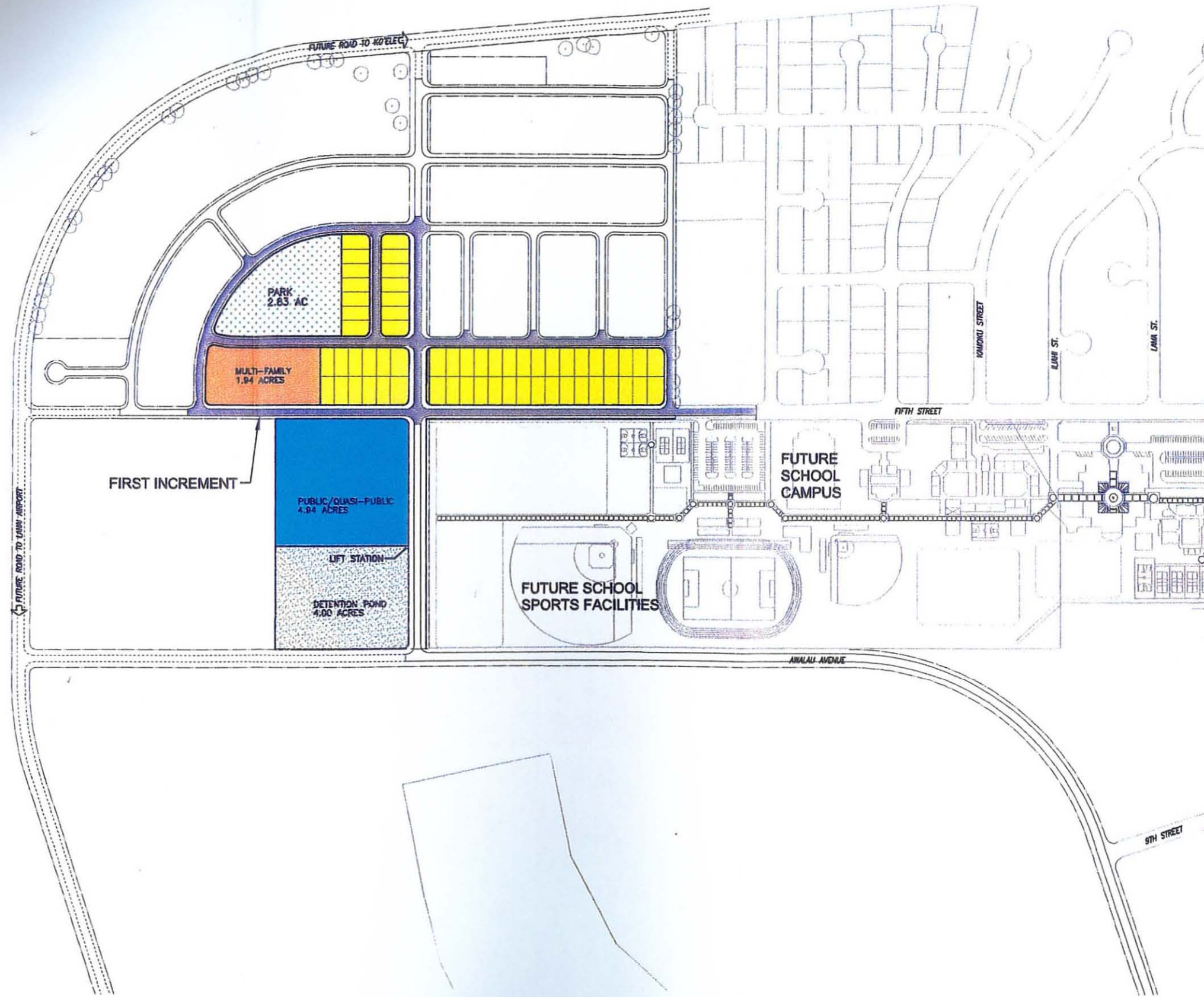







Pacific Architects, Inc.
 2020 South King Street
 Honolulu, Hawaii 96826
 808-949-1601
 fax: 808-942-0054



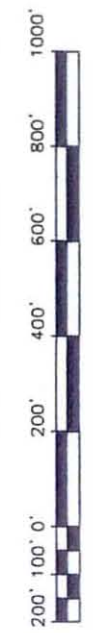
LANAI AFFORDABLE HOUSING PROJECT

ZONING SITE PLAN



-  MULTI-FAMILY
-  SINGLE FAMILY
-  PUBLIC/QUASI-PUBLIC
-  PARK
-  OPEN SPACE

INDIVIDUAL PLOTS (5000sf)	58 UNITS
MULTI-FAMILY	1.94 ACRES
QUASI-PUBLIC	4.94 ACRES
PARK REQUIRED	3.23 ACRES
PARK PROVIDED	2.83 ACRES
OPEN SPACE	4.00 ACRES



Pacific Architects, Inc.
 2020 South King Street
 Honolulu, Hawaii 96826
 808-949-1601
 fax 808-942-0054



LANA'I AFFORDABLE HOUSING PROJECT

ZONING SITE PLAN - FIRST INCREMENT