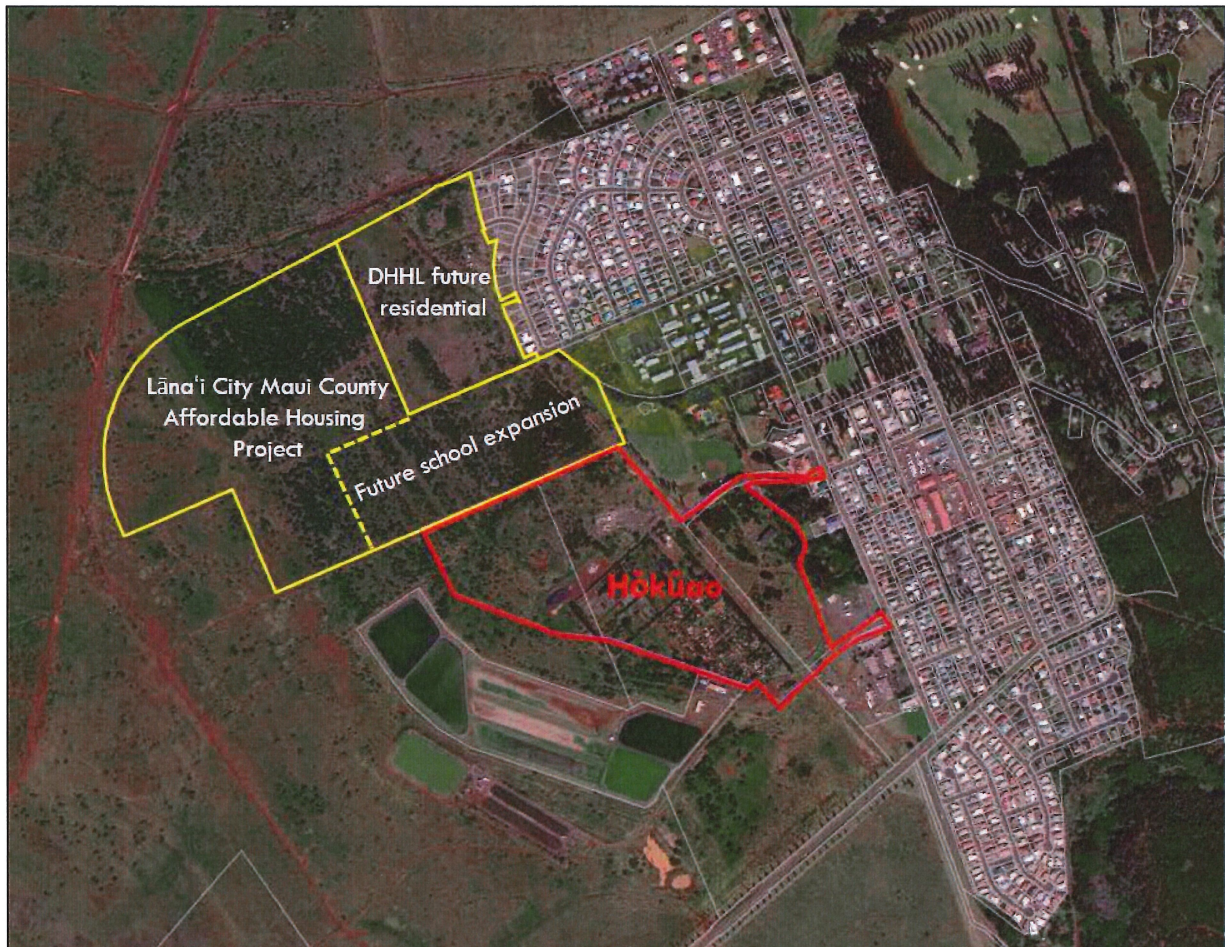


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**Figure 8:** Aerial map from Google Earth of Lānaʻi City with red outline for the Hōkūao 201H Residential project, yellow outlines identified here for the County Project, future school expansion, and DHHH future residential development.

**Comment 02:** The LPC brought up a housing list which likely consists of people waiting for affordable housing. Will this list and names be used during the selection process for affordable rentals at this project? And if so, how would the list be used?

**Response 02:**

Although the comment is not within the scope of the Draft Environmental Assessment (“DEA”), the applicant recognizes the comment regarding the rental application process and a possible “waitlist.”

The applicant is working on the details regarding the qualification, verification, and rental application process for the affordable homes. Should this project receive approvals from the County Council and State Land Use Commission, the details will be finalized and shared with the community on Lānaʻi.

The applicant does not maintain a waitlist for existing market rate rental inventory.

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**Comment 03:** Part of the role of an EA is to explore alternatives to the project. While some discussion is noted in the DEA, the LPC would like to see alternative scenarios discussed as follows:

- Analyze the alternative of developing a rent-to-own plan for some or the entire project.
- Analyze the alternative of making this project a for sale affordable project.
- Analyze the alternative of making some of the affordable homes "for sale" rather than only "for rent."
- Analyze the alternative of making some of the affordable homes either a four or three bedroom dwelling, under for rent or for sale scenarios. None of the affordable homes are four bedrooms, yet many large families on Lanai are expected to be significantly under-housed due to the typical small size of dwelling units on the island of Lanai.

### **Response 03:**

Although the comment is not within the scope of the draft Environmental Assessment (“DEA”), the applicant recognizes the comment of exploring alternatives regarding the product offering. Several community meetings<sup>20</sup> and smaller focus group meetings have occurred regarding the Hōkūao 201H Housing Project over the last five years. The applicant has evaluated many factors, included but not limited to comments and feedback, completed studies, laws, and current market conditions<sup>21</sup> in the design and offering for the Hōkūao 201H Housing Project. The applicant’s proposed project is the collective outcome of these considerations.

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**Comment 04:** The LPC recognizes the legal and administrative challenges of targeting the affordable rental homes to specific groups such as teachers, nurses, long-time Lanai residents, longtime Lanai renters, small business owners, etc.; however, the LPC requests a discussion in the FEA of criteria for rental selection and methods that may be employed to assist in targeting this affordable rental community to high priority groups as previously mentioned. In particular, the LPC requests the Applicant clarify how this project will specifically support long-time Lanai residents/families who intend to live here long-term but have not been able to afford their own home. Please clarify the intent to whom this housing will be targeted, and the role Pulama Lanai will play in the renter selection process if any. Discuss potential lease terms for renters.

### **Response 04:**

Although the comment is not within the scope of the draft Environmental Assessment (“DEA”), the applicant recognizes the comment of the application selection process.

The applicant is working on the details regarding the application process for the affordable homes and will coordinate with DHHC on the details of said process. Should this project receive approvals from the County Council and State Land Use Commission, the details will be finalized and shared with the community on Lāna‘i.

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<sup>20</sup> Pūlama Lāna‘i Community Information Meetings 01AUG16 (Former DHHC Director Carol Reinmann was an invited guest presenter), 12NOV18, and 22FEB21.

<sup>21</sup> Global pandemic, the impact of the Coronavirus has affected the world, including Lāna‘i.



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In the DEA, there are multiple references to workforce housing.<sup>22</sup> The homes will be provided to the workforce on Lānaʻi, which will include employees of Pūlama Lānaʻi and affiliate companies and other entities that are necessary to maintain essential operations on Lānaʻi (e.g., teachers, police officers, TSA agents, nurses, etc.).

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**Comment 05:** Please respond to the concern expressed that the proposed project would be used to house construction workers arriving from off-island for future projects, rather than for existing, qualifying residents in need of housing.

**Response 05:**

Although the comment is not within the scope of the draft Environmental Assessment (“DEA”), the applicant recognizes the comment regarding construction workers living in the Hōkūāo 201H Housing Project.

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**Comment 06:** Clarify that Lanai Housing and Urban Development guidelines for affordable income limits for rental units will be employed for this project, recognizing the higher cost of living on Lanai. What are the target ranges of AMI to be considered for this project and associated rental rates?

**Response 06:**

Although the comment is not within the scope of the draft Environmental Assessment (“DEA”), the applicant recognizes the comment regarding target ranges of AMI and associated rental rates to be considered for this project.

The ranges of AMI and associated rental rates to be considered for this project, as well as other affordable housing projects, are reviewed and set by the Maui County Department of Housing and Human Concerns (“DHHC”) Housing Division on an annual basis. The AMI and associated rental rates are published every May. The information published on the DHHC website for 2020 specifically for Lānaʻi<sup>23</sup> was included on page 24 in the DEA.

Based on the market analysis (Exhibit F of the Draft EA), for the affordable homes, it was concluded that the following should be generally considered (pages 137 to 138 of the DEA): 21.6% for low income; 37.4% for below moderate to moderate income; and 41% above moderate income.

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<sup>22</sup> DEA pages 133, 137-139, and Exhibit F.

<sup>23</sup> See page 29 of 39 for the income limits for rental units and affordable rent guidelines for Lānaʻi:  
<https://www.mauicounty.gov/DocumentCenter/View/121898/2020-Workforce-Housing---Affordable-Sales-Guidelines?bidId=>

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**Comment 07:** The LPC would like the FEA to describe the current status of Well 7, when the water was last tested at Well 7 and what the results were, and what the anticipated date of activation and use of Well 7 are.

### **Response 07:**

The applicant is in the process of permitting the development of Well 7 (an existing source), which will be connected to the Lānaʻi City distribution system along with Wells 6, 8 and 3. Well 7 will provide additional source capacity and reliability. This is consistent with the LWUDP, there is significant discussion in the DEA on pages 102-103 regarding Well 7.

We anticipate the activation and use of Well 7 to occur no later than the time the first occupant moves into their home at the proposed project. Prior to any connection to the public water system, the well is required to be approved by the Safe Drinking Water Branch and undergo new source water testing. The compounds that will be tested can be found here:

<https://health.hawaii.gov/sdwb/files/2019/07/ContaminantsTestNewSources2019.pdf>

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**Comment 08:** Page 209 of the DEA states, “Homes may include solar photovoltaic on-site generation with individual home battery.” Who would pay for such an installation on rental units? How would energy savings be passed through to the renter? What criteria would be used to determine which units could have PV installed?

### **Response 08:**

Although the comment is not within the scope of the draft Environmental Assessment (“DEA”), the applicant recognizes the comment regarding costs associated with on-site renewable energy generation.

The applicant is the sole investor in the Hōkūao 201H Housing Project, all associated costs with the development of the Hōkūao 201H Housing Project are part of the investment, including the potential on-site renewable energy generation for all the homes.

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**Comment 09:** Discuss the applicability of HRS §196-6.5 Solar water heater system required for new single-family residential construction for this project and any proposed applications for a variance from this requirement.

### **Response 09:**

Although the comment is not within the scope of the draft Environmental Assessment (“DEA”), the applicant recognizes the comment regarding the applicability of HRS §196-6.5 Solar water heater system required for new single-family residential construction and whether the applicant will be applying for a variance.

*HRS §196-6.5 Solar water heater system required for new single-family residential construction*, is applicable to the Hōkūao 201H Housing Project, by definition (new single family residential construction). There are also list of variances that are applicable, in



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particular §196-6.5 (a) (3): a renewable energy technology system, as defined in section 235-12.5, is substituted for use as the primary energy source for heating water.<sup>24</sup>

There are multiple references regarding solar energy production on-site, including home battery storage, for the homes in the Draft Environmental Assessment (“DEA”).<sup>25</sup> The applicant is also evaluating the potential to install a solar roof on the homes, which would include a battery energy storage system. These renewable energy systems would provide power to the home, therefore the hot water heater would also be powered by renewable energy sources.

Given the aforementioned, it is possible that the applicant will be seeking a variance as allowed per HRS §196-6.5 (a) (3).

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**Comment 10:** Local experience indicates that Kona winds will result in odor from the WWTP south/southwest of the Project. Please explain the methodology of determining that odors from the WWTP would only be a minor issue, and who made that determination.

**Response 10:**

**Proximity to the Wastewater Treatment Plant (“WWTP”)**

Exhibit D and Section 4.12 Air Quality (starting on page 152) of the DEA includes an extensive discussion regarding the air quality impacts of the project area. A study by B.D. Neal & Associates, included as Exhibit D, described the methodology and findings of potential short and long term air quality impacts that could occur as a result of construction and use of the proposed development and suggested mitigation measures to reduce any potential air quality impacts where possible and appropriate. Potential impacts on the proposed development from the nearby wastewater treatment facility (aka WWTP) was also evaluated. The study utilized both national and state ambient air quality standards (“AAQS”).<sup>26</sup>

As detailed in Section 8 in Exhibit D, generally WWTPs are not considered significant sources of air pollution, but they can result in the release of small amounts of airborne odorous compounds.<sup>27</sup> It is further stated that these types and compounds in the air are generally not considered hazardous to human health, but when they occur in high concentrations at offsite locations, they can be detected by smell and potentially constitute a nuisance for nearby residents and businesses.

A study was conducted and described in Section 8. Hydrogen sulfide measurements were collected, there were no measurable hydrogen sulfide concentrations at any location along the plant perimeter. It was recommended by the consultant that it would be prudent for the proposed project to maintain a buffer distance at least 300 to 600 feet from the WWTP boundary.<sup>28</sup> The Hōkūao 201H Housing Project implemented the maximum recommendation buffer of 600 feet from the WWTP boundary (see **Figure 2** below).

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<sup>24</sup> See extensive discussion here: <https://energy.hawaii.gov/resources/solar-water-heater-variance>

<sup>25</sup> DEA Pages 191, 209, Exhibit D Page 27, and Exhibit F Page 15.

<sup>26</sup> National AAQS are specified in Section 40, Part 50 of the Code of Federal Regulations, while State of Hawaii AAQS are defined in Chapter 11-59 of the Hawaii Administrative Rules. Table 1 in Exhibit D summarizes the standards.

<sup>27</sup> Exhibit D Section 8 Waste Water Treatment Plant

<sup>28</sup> Exhibit D Section 9 Conclusions and Recommendations