

BEFORE THE LAND USE COMMISSION  
OF THE STATE OF HAWAII

In the Matter of the Petition of )  
 )  
A & B PROPERTIES, INC. (MAUI) ) DOCKET NO. A82-535  
 )  
To reclassify approximately 680 )  
acres of land, Tax Map Key )  
3-8-07: portions of parcels 2, )  
103, and 110, from the Agricultural )  
District into the Urban District at )  
Wailuku and Kahului, Maui, for a )  
planned residential community )  
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DECISION AND ORDER

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FINDINGS OF FACT, CONCLUSIONS OF LAW,  
DECISION AND ORDER

The above captioned land use boundary amendment proceeding was initiated by the Petition of A & B Properties, Inc. (hereinafter referred to as "Petitioner"), pursuant to Chapter 205, Hawaii Revised Statutes, and the Rules of Practice and Procedure of the Land Use Commission, State of Hawaii, to amend the Land Use District Boundary of certain lands (hereinafter referred to as the "subject property") situate at Wailuku and Kahului, Island of Maui, County of Maui, from the Agricultural Land Use District to the Urban Land Use District and the Commission, having heard and examined the testimony and evidence presented during the hearing held on October 6 and 7, 1982, and November 4 and 5, 1982, at Wailuku, Island of Maui, hereby makes the following findings of fact and conclusions of law.

FINDINGS OF FACT

PROCEDURAL MATTERS

1. A & B Properties, Inc. filed its petition on July 23, 1982 to amend the Agricultural District boundary at Wailuku and Kahului, Island of Maui, County of Maui, to reclassify approximately 680 acres into the Urban District.

2. The Commission opened the hearing on October 6, 1982 at Wailuku, Maui, pursuant to a notice published in the Maui News

and the Honolulu Advertiser on August 30, 1982.

3. The Commission granted the petition for intervention filed by Isaac Hall of the Legal Aid Society of Hawaii as attorney for the Ad Hoc Group of Maui Residents Waiting for Housing We Can Afford, Charles Reveira, Emily Arruda, and Lourdes Gaspar.

4. The Commission allowed oral testimony from the following persons as public witnesses: Mr. Ronald Rickard on behalf of ILWU Local 142 Maui Division; Councilman Wayne Nishiki, representing the Central Maui District; and Mr. John Bose, II, of the Maui Group, Hawaii Chapter of Sierra Club.

5. The Commission accepted written testimony from: Councilman Wayne Nishiki, Ms. Ann Elizabeth Bowen, Ms. B. Lynn Britton, and Mr. Alvin Fukunaga.

#### DESCRIPTION OF THE SUBJECT PROPERTY

6. The subject property contains approximately 680 acres, identified as Tax Map Key 3-8-07: portions of parcels 2, 103, and 110.

7. The subject property is located on the Island of Maui, bound by Kahului to the east and northeast and Wailuku to the west. The property fronts Kaahumanu Avenue to the north and Kuihelani Highway to the southeast. The subject property is illustrated in Exhibit "A" attached hereto and incorporated herein by reference.

8. The subject property abuts urban classified lands to the north, east and west. The Kahului residential district is situated adjacent and east of the subject property, while the commercial and residential area of Wailuku is located to the northwest.

9. The subject property is owned in fee simple by Alexander & Baldwin, Inc. The Petitioner holds a purchase option on the subject property and is authorized by Alexander & Baldwin, Inc. to petition for the land use boundary amendment.

10. The subject property rises upward from the east to west, with slopes ranging from ten percent (10%) to twenty percent

(20%) on the western portion and ranging from two percent (2%) to three percent (3%) on the eastern portion. Elevation of the subject property above mean sea level ranges from 100 feet to 200 feet.

11. The U. S. Department of Agriculture's Soil Conservation Service Soil Survey, classifies over 500 acres of the subject property as Puuone Sand (PEUE). This land consists of excessively drained soils derived from coral and sea shells. These soils exhibit slow run-off, moderate to severe wind erosion hazard, and are normally used for pasture and home sites.

Nearly 110 acres of the subject property are classified Jaucas Sand (JuC). These soils exhibit slopes ranging between zero to fifteen percent (15%), rapid permeability and very slow run-off. The wind erosion hazard is severe for areas where the vegetation has been removed. These soils are normally utilized for pasture, sugar cane, truck crops, and urban development.

12. According to the Land Study Bureau's Detailed Land Classification - Island of Maui (1967) report which rates land types as to their over-all agricultural productive capacity using the letters A, B, C, D, and E, with A representing the class of highest productivity and E of lowest productivity; approximately 78 percent of the subject property is rated "E", 21 percent is rated "C", and one percent is rated "B". "B" and "C" ratings are based on the application of irrigation.

13. According to the Agricultural Lands of Importance to the State of Hawaii (ALISH) classification system, most of the subject property is classified as "other important agricultural land." No part of the subject property is classified as "unique" or "prime" agricultural lands.

14. The subject property is presently undeveloped with the exception of 59 acres being used for seed cane cultivation and 5 acres being used for a fruit juice and puree processing facility. These uses are located at the southeastern section of

the petition area. The cultivation of seed cane is in the process of relocating.

15. Vegetation on the unused portions of the subject property consists primarily of kiawe trees, lantana, and shrub grass.

16. The subject property receives less than 20 inches of rainfall annually.

17. According to the flood insurance rate map prepared by the Federal Insurance Administration for the County of Maui, the subject property is not situated in any designated flood plain, but rather, is in an area of minimal flooding of zone "C" designation. The subject property is not located within a county coastal or flood hazard district.

#### PROPOSAL FOR DEVELOPMENT

18. The subject property is a portion of Petitioner's proposed Maui Lani residential community. The Petitioner seeks to consolidate the 680-acre subject property with approximately 360 acres of adjoining urban designated lands to create an integrated and comprehensively planned residential community to meet the needs of the residents of the County of Maui. The entire project as proposed embodies an area of approximately 1,040 acres.

19. The Petitioner proposes to develop approximately 3,500 dwelling units within the project area of which approximately 2,400 units will be on the subject property. The Petitioner plans to provide a combination of improved lots as well as house-and-lot packages, townhouses and multi-family units. The projected gross density of the overall project is approximately 3.4 units per acre, with a net density of approximately 5.2 units per acre.

20. The Maui Lani project includes the development of 65 single family lots for low and moderate income families (Hale Laulea) and 188 low and moderate income rental apartment units (Luana Gardens) on lands adjacent on the southeast side of the subject property. These two projects will be developed and marketed

by the County of Maui.

21. The Maui Lani project also includes lands for park use (103 acres), drainage retention ponds (78 acres), sugar cane reservoirs (60 acres), nursery (7 acres), major roads (38 acres), school sites (16 acres), future recreational areas (45 acres), and a village center for community, commercial and service activities (25 acres).

22. The following table describes the proposed land uses and units per acre for the 1,040 acre project site:

PROPOSED LAND USE AND DWELLING  
UNITS FOR 1,040 ACRE PROJECT AREA

<u>Land Use</u>	<u>Subject Property (Acres)</u>	<u>Existing Urban Area (Acres)</u>	<u>Total Project Area/(Acres)</u>	<u>Total No. of Units</u>
<u>Residential</u>				
Luana Gardens Low-Income Apartment	-0-	30	30	188
Hale Laulea Low/Moderate Income Residential	-0-	13	13	65
Other Residential	<u>464</u>	<u>161</u>	<u>625</u>	<u>3,250</u>
Total Residential	<u>464</u>	<u>204</u>	<u>668</u>	<u>3,503</u>
<u>Open Space &amp; Roads</u>				
Drainage Ponding Areas	49	29	78	
Park	52	51	103	
Reservoirs	-0-	60	60	
Nursery	5	2	7	
Major Roads	<u>30</u>	<u>8</u>	<u>38</u>	
	<u>136</u>	<u>150</u>	<u>286</u>	
<u>Other Use</u>				
Schools	16	-0-	16	
Village Center	25	-0-	25	
Land Resource for future recreational facilities	<u>39</u>	<u>6</u>	<u>45</u>	
	<u>80</u>	<u>6</u>	<u>86</u>	
Total Project Area	<u>680</u>	<u>360</u>	<u>1,040</u>	<u>3,503</u>

23. Petitioner estimates the total cost of the project at \$130,420,000. The cost for the residential developments is estimated at \$113,020,000. The cost for development of the village center component of the project is estimated at \$17,400,000.

24. The Petitioner has submitted a financial report which indicates it possesses the financial capacity to undertake and complete the proposed development. The Petitioner has committed to finance on its own the infrastructure that is required to complete the Maui Lani development.

25. The Petitioner plans a six-phase sequential development over a ten-year period for the entire project. The first four phases are proposed over an initial five-year period, while the last two phases are proposed over a second five-year period. The subject property includes most of those lands in phases one through five while most of the land proposed for phase six and a portion of the land proposed for phase five are now classified as urban. The Petitioner may develop phase five during the initial five-year period to accelerate the multi-family component of the development as the market materializes for the same. Most of the lands proposed in the second five-year period are already classified urban and are not subject to the subject petition.

26. Residential lots within the proposed development will range in size between 5,000 and 14,000 square feet and the average will be approximately 7,500 square feet.

27. Petitioners expect to sell lots within the proposed development at an estimated \$7.00 to \$8.00 per square foot. Petitioners expect a house-and-lot package on an average parcel to cost within a range of \$100,000 to \$110,000, or an average cost of \$105,000 in 1982 dollars.

28. As part of the Maui Lani development, Petitioner proposes to advance a four-part program to address the low and moderate income housing need on the Island of Maui, as follows:

- (a) the donation of approximately 42.5 acres of land to the County of Maui for the Luana Gardens (I,

II, and III) and Hale Laulea projects, generating approximately 253 units as part of the 1,040 acre Maui Lani project area;

(b) to market other Maui Lani units through unconventional loan programs, as Petitioner has done in its other developments, in order to maintain a high capture strategy for the low and moderate income market;

(c) to pursue and implement in conjunction with and in partnership with the County of Maui innovative approaches to the housing needs of the low and moderate income group, including zero lot line developments and other innovative approaches to decrease housing costs under the County's proposed project district designation for the project area;

(d) to develop innovative programs, on its own, once the County has accepted and accommodated some development approaches other than the traditional single family detached housing program.

29. The Petitioner has developed other residential housing projects on the Island of Maui that have been directed at the moderate income market and have utilized a number of governmental financing programs in order to capture this market.

30. The Petitioner has donated various properties to the County of Maui on the Island of Maui for low and moderate income housing projects. Petitioner has been the only landowner on the Island of Maui who has donated land to the County of Maui for housing projects.

31. The Petitioner has indicated a willingness to accept reclassification to the Urban District with a condition that residential lots or houses and lots equal in number to ten percent (10%) of the number that is developed on the subject property be made available to Hawaii residents of low and moderate family income on a preferential basis.

STATE AND COUNTY PLANS AND PROGRAMS

32. The Land Use Commission is established pursuant to the legislative mandate of Chapter 205, Hawaii Revised Statutes, to preserve, protect, and encourage the development of lands in the State for those uses to which they are best suited for the public welfare.

33. District boundary amendment and other decisions by the Land Use Commission shall be in conformance with the overall theme, goals, objectives, policies, and priority directions contained in the Hawaii State Plan.

34. The subject property is situated within the State Land Use Agricultural District as reflected on Land Use Commission District Boundary Map M-5 (Wailuku).

35. The Maui County General Plan adopted on June 24, 1980 sets forth a program for its implementation through the formulation and adoption of community plans for specific regions within the county. In January 1982, the Maui Planning Commission voted to recommend approval of the community plan for the Wailuku-Kahului region which designates the subject property as part of a project district for residential development. This Wailuku-Kahului Community Plan must still be approved in ordinance form by the County Council and Mayor of Maui County.

36. Current county zoning for the subject property is agriculture and residential. Rezoning must be obtained to allow development of the subject property as part of a project district.

37. The subject property is not situated within a County Special Management Area (SMA).

NEED FOR THE PROPOSED DEVELOPMENT

38. Due to the lack of developable land in central Maui, the construction of housing has not kept up with the growth in population. This has resulted in inflated rental and sales markets, subnormal vacancy rates, and household doubling.

39. The Petitioner has submitted a market analysis which examines housing demand and supply within the target market area (central and northeastern Maui districts) and concludes that there is a public need for housing and community development as proposed on the subject property.

40. According to the Petitioner's market analysis report, the projected residential housing unit demand and supply for the Maui Lani market area (central and northeastern Maui districts) is as follows:

<u>Year</u>	<u>Demand</u>	<u>Supply</u> (includes Maui Lani Supply commencing 1986)
1981-1985	3,425	2,597
1986-1990	3,539	3,090
1991-1995	3,726	3,680
1996-2000	3,800	4,380
<u>Cumulative</u>		
1981-2000	14,490	13,747

41. Petitioner's comparison of the estimated supply and demand for new housing units within the market area is reflected as follows:

<u>Year</u>	<u>Excess Supply(+)</u> <u>Excess Demand(-)</u>	<u>Maui Lani Units as a % of accumulated demand for new units</u>
1981-1985	-828	
1986-1990	-449	23%
1991-1995	- 46	30%
1996-2000	+580	24%
<u>Cumulative</u>		
1981-2000	-743	

42. The State Department of Planning and Economic Development (DPED) and the Maui County Planning Department concur with the need for the proposed residential development, despite certain differences in the assumptions used to analyze and project housing demand.

43. Intervenor Legal Aid Society of Hawaii (hereinafter "LASH") also agrees with the need for more housing in the area, but wants specific assurances that housing units affordable to both low and moderate income families are provided as part of the proposed project.

44. The Petitioner has proposed a market capture strategy intended to address the needs of three target groups: median (moderate) income, gap group, and low income.

a. Assuming housing costs at a \$100,000-\$105,000 level, Petitioner's market analyst testified that those in the market area with a median or moderate family income level of \$32,000 to \$33,000 annually, would qualify for conventional financing, assuming a 20 percent down payment, 11 percent interest rate, and a 3.04 income to payment ratio on a 30 year mortgage. The market analyst indicated that with regard to Petitioner's past developments, Petitioner sold 53 percent of its units (1974-79) to those within the median income criteria, and Petitioner would expect to capture at least 50 percent of said market through the Maui Lani development.

b. Petitioner's market analyst indicated that the gap group housing market, those with an annual family income of between \$24,000 and \$32,000, would qualify for a variety of unconventional financing programs, assuming a 2.22 income-to-payment ratio. The analyst testified that the same group would qualify for conventional financing on a 30 year mortgage with a 20 percent down payment, 11 percent interest rate, and a 3.04 income to payment ratio.

c. Petitioner's market analyst indicated that the low income group, those with an annual family income of less than

\$24,000, would qualify for unconventional and subsidized housing program including FmHA, FHA 225, Hula Mae. Further, Petitioner's market analyst testified that Petitioner would look for the application of unconventional financing techniques together with innovative approaches to decrease the cost of housing in order to capture this market by delivering housing units priced below \$76,000.

45. Petitioner's market analyst testified that Petitioner would look to capture 50 percent of its market in the gap group and low income category through utilization of unconventional financing programs and through cooperative efforts with the County of Maui in developing strategies to decrease housing costs.

46. The subject property is the only substantial amount of vacant land in close proximity to the major commercial and employment centers of Wailuku and Kahului which is classified agricultural but is not in an important agricultural use.

47. Agricultural lands in outlying areas would be under increased pressure for reclassification for housing development if the proposed Maui Lani project is not approved. This could result in the loss of agricultural lands far more productive than the subject property, and the development of scattered, non-contiguous urban districts.

#### IMPACTS UPON RESOURCES OF THE AREA

##### Agricultural Resources

48. The 680 acres which comprise the subject property are vacant and unused except for 59 acres devoted to seed cane cultivation and 52 acres being used for a passion fruit farm and processing facility. Reclassification of the subject property into the Urban District will not have a significant adverse impact upon agricultural resources in the area because provisions have been made for relocating these existing agricultural activities to alternative sites that are more conducive to their operational success.

49. The ALISH system classifies most of the subject property as Other Important Agricultural Land; however, the State

Department of Agriculture supports reclassification to urban because the sandy soils are of nominal productivity potential. The Department of Agriculture also believes that allowing the proposed reclassification as a logical extension of the urban area would reduce the development pressures on other more important agriculture lands and facilitate their retention in the Agricultural District.

#### Archaeological and Historic Resources

50. The subject property has no known archaeological or historic resources.

51. Dr. William Barrera, Jr., the archaeologist who conducted a reconnaissance survey of the subject property, recommends that the Petitioner stop work and contact the Historic Sites Section of the State Department of Land and Natural Resources should any unanticipated sites or artifact remains be encountered during construction.

#### Environmental Quality

52. Noise levels and air quality in the area will be adversely affected by construction activities and traffic generated by the proposed developments, but consultant studies indicate that no state standards will be violated. Potential adverse impacts can be mitigated by careful scheduling of activities and direct measures to control and reduce pollution.

#### Natural Resources

53. Petitioner's consultant botanist and biologist report that there are no rare or endangered species of flora or fauna on the subject property.

#### Recreational Resources

54. The subject property as it currently exists has little or no value as a recreational resource.

55. The proposed development of the subject property will include a regional park and recreational facilities for future residents of the Maui Lani project.

### Scenic Resources

56. The subject property has no features of significant beauty or distinction.

57. Development of the subject property to the uses proposed will improve the visual and scenic resources of the area.

### Water Resources

58. There are no permanent streams on the subject property or in the immediate vicinity. Existing drainage channels, ponds and reservoirs will be maintained in their current configurations. To offset the increase in the amount of surfaces impervious to water, the project proposes a runoff collection system that will feature retention ponds and injection wells that will assure recharge of the basal lens below the subject property.

### ADEQUACY OF PUBLIC SERVICES AND FACILITIES

#### Drainage

59. Existing drainage on the subject property is good because of the high permeability of the sandy soil.

60. The Petitioner proposes to contain and dispose of all runoff water onsite. A system of drainlines will intercept and deliver runoff water to six separate retention ponds located in open space areas within the Maui Lani project boundaries. Injection wells at each of the ponds will discharge excess water into the ground at rates adequate to handle a 100-year-storm condition.

61. The County Department of Public Works has reviewed and offered no objections to the proposed drainage plan.

#### Electricity and Telephone Service

62. The proposed Maui Lani developments are expected to generate a peak demand for 12.1 megawatts. Maui Electric will be able to provide the anticipated requirements through connections into the existing electricity distribution lines in the adjacent Kahului Town area.

63. Hawaiian Telephone Company officials have represented that adequate facilities and services can be made available to the proposed development.

### Firefighting Services

64. Fire protection services are available on a 24-hour basis from the fire station in Wailuku, approximately 1 to 2 miles from the subject property.

### Medical Services

65. Maui Memorial Hospital is located adjacent to the northeast of the subject property.

### Police Services

66. Police patrols from the station in Wailuku, approximately 1 to 2 miles from the subject property, will be able to serve the proposed development.

### Recreational Services and Facilities

67. A regional park of 103 acres will be the main recreational facility within the proposed planned community. Other areas for leisure and recreation will be available at a smaller scale throughout the community.

68. The Petitioner has designated 45 acres at the southeast end of the subject property as reserved for a future recreation area.

### Roadway and Highway Facilities

69. The Maui Lani planned development proposes a roadway network with three onsite collector roads that will provide direct access to existing major roadways that serve as routes to destination areas in Wailuku, Kahului, Kihei, and Lahaina.

70. The traffic analysis prepared by Petitioner's engineering consultant, Belt, Collins & Associates, indicates that adequate roadways can be provided to serve the proposed developments. Adjacent major roadways would need to be improved; notably, Kuihelani Highway, Honoapiilani Highway, Kamehameha Avenue, and Papa Avenue.

71. The specific design and construction requirements for onsite and offsite roadways will be accomplished at the time of project district and subdivision review by appropriate county agencies.

72. The Petitioner has estimated that necessary roadway improvements can be provided at reasonable cost relative to the scope and benefits of the proposed development.

#### Schools

73. Two existing elementary schools are within one mile of the subject property. The Petitioner has testified that additional sites for elementary and intermediate schools needed to serve children from the proposed project will be provided as required by the Department of Education.

74. The Department of Education has stated that additional classrooms can be provided at Baldwin and Maui High Schools to accommodate the expected enrollment increase from the Maui Lani development.

75. Maui Community College is located approximately one-half mile from the subject property.

#### Sewage

76. The proposed Maui Lani development is expected to generate sewage flow of approximately 1.26 million gallons per day (MGD).

77. The Petitioner proposes to construct onsite sewage improvements for connection to the County system serving the Wailuku-Kahului area. Petitioner has agreed to pay for the costs of designing and constructing necessary offsite sewer improvements, which will include improved connections to the Kahului pump station and expansion of the Wailuku/Kahului sewage treatment plant.

#### Solid Waste Disposal

78. The County of Maui will provide refuse disposal service for the residential areas of Maui Lani. Private refuse collectors will service the proposed commercial center.

#### Water

79. The water demand for the entire Maui Lani development is estimated at 1.99 MGD (average daily flow) and 2.99 MGD (maximum daily flow).

80. The Central Maui source wells and water transmission

line from Waiehu will provide domestic water for Maui Lani. The Petitioner is a party to the joint venture that is developing the Central Maui Water Transmission System which will drill and develop additional wells in the Waiehu area to provide a total capacity of 19 MGD. Petitioner's allocation of water will be 4.0 MGD, a portion of which it will use to supply the Maui Lani project.

81. The Petitioner proposes to design and construct the domestic water system improvements to County Department of Water Supply standards to allow eventual dedication to the County of Maui.

#### COMPLIANCE WITH STANDARDS FOR DETERMINING DISTRICT BOUNDARIES

82. The subject property is contiguous to existing urban areas which contain "city-like" concentrations of people, structures, streets, and urban levels of service. Urbanization of the subject property will not contribute to scattered, spot urban development.

83. The subject property adjoins the centers of trade and employment at Wailuku and Kahului. A new center of business and employment will be created at the 25-acre commercial center within the proposed development.

84. The Petitioner has provided evidence which substantiates the economic feasibility of the proposed project and its financial capacity to undertake the developments proposed.

85. The subject property is physically suitable for the proposed uses. No unusual drainage problems are foreseen and the project site is not subject to flooding or tsunami inundation, unstable soil conditions, or other adverse environmental effects.

86. Adequate support services such as sewers, water, sanitation, schools, parks, and police and fire protection, are either immediately available to the proposed development or can be so provided at reasonable costs.

87. The proposed development of the subject property will have no significant adverse effects upon agricultural, natural, environmental, recreational, scenic, historic, or other resources

of the area.

88. Development of the subject property for a planned residential community conforms to the Maui County General Plan. The proposed Wailuku-Kahului Community Plan designates the subject property for a residential project district.

89. The subject property is relatively unsuited for productive agricultural use; its development into a planned residential community is necessary to provide for urban growth projected within the next ten years.

90. The proposed development will assist in providing a balanced housing supply for all economic and social groups on the Island of Maui.

91. Both the Department of Planning and Economic Development of the State of Hawaii and the Planning Department of the County of Maui support reclassification of the subject property into the Urban District.

#### RULING ON PROPOSED FINDINGS

Any of the proposed findings of fact submitted by the Petitioner or the other parties to this proceeding not already ruled upon by the Land Use Commission by adoption herein, or rejected by clearly contrary findings of fact herein, are hereby denied and rejected.

#### CONCLUSIONS OF LAW

Pursuant to Chapter 205, Hawaii Revised Statutes, and the Rules of Practice and Procedure and District Regulations of the State Land Use Commission, the Commission finds upon the clear preponderance of the evidence that the proposed boundary amendment does conform to the standards established for the Urban District by the State Land Use District Regulations, is reasonable, and is not violative of Section 205-2, Hawaii Revised Statutes, as amended; and is consistent with the Hawaii State Plan, as set forth in Chapter 226, Hawaii Revised Statutes as amended.

DECISION AND ORDER

IT IS HEREBY ORDERED that the land which is the subject of the petition of A & B Properties, Inc; in Docket No. A82-535, consisting of approximately 680 acres situate at Wailuku-Kahului, Island of Maui, State of Hawaii, more particularly identified as Tax Map Key 3-8-07: portion of 2, portion of 103, and portion of 110, as illustrated in Exhibit "A" attached hereto and incorporated herein by reference, shall be and is hereby reclassified from the Agricultural District into the Urban District, and the Land Use District Boundaries are hereby amended accordingly.

The reclassification of the subject property shall be subject to the following conditions:

1. Petitioner shall provide housing opportunities for low and moderate income Hawaii residents by offering for sale, on a preferential basis, ten percent (10%) of the lots or houses and lots to be developed on the subject property to residents of the State of Hawaii of low or moderate family income as determined by standards promulgated by the Hawaii Housing Authority or County of Maui from time to time; provided however, this requirement may be satisfied through the sale by Petitioner of lots and houses and lots on the Island of Maui but outside of the petition area.

2. Petitioner shall develop the petition area pursuant to land use requirements enacted by the County of Maui to ensure that consideration is given to a variety of residential unit types, including, but not limited to, single-family and multi-family units, duplex, fourplex, zero lot line, cluster, single-family detached, and garden apartments and to further ensure that variation in lot sizes and other development standards generate the requisite flexibility to foster housing opportunities for all segments of the community and to advance the objectives of affordability to all segments of the community.

3. Petitioner shall submit annual progress reports to the Commission, the Department of Planning and Economic Development, and the Maui County Planning Department as to its progress in

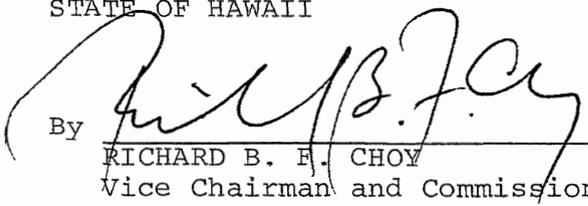
satisfying these conditions.

4. These conditions may be fully or partially released by the Commission as to all or any portion of the subject property upon timely motion and provisions of adequate assurance of satisfaction of these conditions by the Petitioner.

Done at Honolulu, Hawaii, this 29th day of April, 1983, per motions on March 15, 1983 and April 14, 1983.

LAND USE COMMISSION  
STATE OF HAWAII

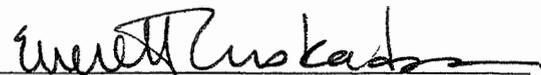
By

  
RICHARD B. F. CHOY  
Vice Chairman and Commissioner

By

  
LAWRENCE F. CHUN  
Commissioner

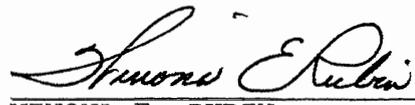
By

  
EVERETT L. CUSKADEN  
Commissioner

By

  
SHINSEI MIYASATO  
Commissioner

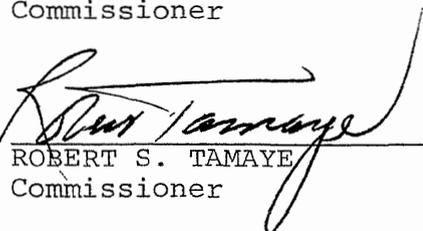
By

  
WINONA E. RUBIN  
Commissioner

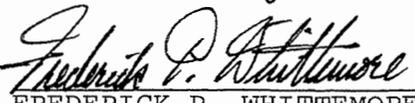
By

  
TEOFILO PHIL TACBIAN  
Commissioner

By

  
ROBERT S. TAMAYE  
Commissioner

By

  
FREDERICK P. WHITTEMORE  
Commissioner

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Kahului, Island and County of Maui, )  
into the Urban Land Use District )  
\_\_\_\_\_ )

CERTIFICATE OF SERVICE

I hereby certify that a copy of the Land Use Commission's Decision and Order was served upon the following by either hand delivery or depositing the same in the U. S. Postal Service by certified mail:

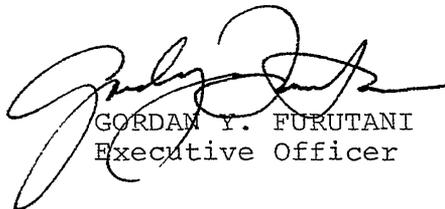
KENT KEITH, Director  
Department of Planning and Economic Development  
State of Hawaii  
250 South King Street  
Honolulu, Hawaii 96813

TOSH ISHIKAWA, Planning Director  
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ISAAC HALL  
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2287 Main Street  
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DATED: Honolulu, Hawaii, this 4th day of May, 1983.

  
GORDAN Y. FURUTANI  
Executive Officer

DOCKET NO. A83-535 - A & B PROPERTIES, INC.

A certified copy of the Land Use Commission's Decision and Order was served by regular mail to the following on May 4th, 1983:

ANNETTE CHOCK, Deputy Attorney General  
Department of Attorney General  
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