

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Land Division
Honolulu, Hawaii 96813

September 28, 2018

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

PSF No. 18MD-088
Maui

Cancellation of Governor's Executive Order No. 3586 and Reset Aside to Hawaii Housing Finance and Development Corporation ("HHFDC"); Issuance of Management Right-of-Entry to HHFDC for the Development of a Mixed-Use Project Consisting of Multi-Family Affordable Rental Housing, Office Space/Civic Center, Parking, New Maui Bus Hub and Other Incidental Uses Purposes; Kahului, Maui, Tax Map Key: (2) 3-7-004:003

CONTROLLING AGENCY:

Department of Accounting and General Services ("DAGS").

APPLICANT:

Hawaii Housing Finance and Development Corporation ("HHFDC").

LEGAL REFERENCE:

Sections 171-11 and -55, Hawaii Revised Statutes ("HRS"), as amended.

LOCATION:

Government lands situated at Kahului, Maui, identified by Tax Map Key: (2) 3-7-004:003, as shown on the attached maps labeled **Exhibits A-1 & A-2**.

AREA:

5.572 acres, more or less.

ZONING:

State Land Use District: Urban
County of Maui, CZO: B-2 Business – Community

TRUST LAND STATUS:

Section 5(a) lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: NO

CURRENT USE STATUS:

Governor's Executive Order No. 3586 setting aside 5.572 acres, more or less, to DAGS for Kahului Civic Center purposes.

PURPOSE OF SET ASIDE:

Development of a mixed-use project consisting of multi-family affordable rental housing, office space/civic center, parking, new Maui bus hub and other incidental uses purposes.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

In accordance with Section 11-200-8, Hawaii Administrative Rules ("HAR") and the Exemption List for the Department of Land and Natural Resources reviewed and concurred by the Environmental Council on June 5, 2015, the subject request is exempt from the preparation of an environmental assessment pursuant to Exemption Class No. 1, Item No. 43. See **Exhibit B**.

Inasmuch as the Chapter 343 environmental requirements apply to Applicant's use of the lands, the Applicant shall be responsible for compliance with Chapter 343, HRS, as amended.

APPLICANT REQUIREMENTS:

Applicant shall be required to process and obtain subdivision or condominium property regime approval, if required, at Applicant's own cost.

REMARKS:

On May 20, 1993, Governor's Executive Order No. 3586 was executed setting aside the land designated as Tax Map Key: (2) 3-7-004:003 ("Parcel 3") to DAGS for Kahului Civic Center purposes. Parcel 3 is currently being utilized for the Department of Education's adult education program and lawnmower operations center.

Pursuant to Senate Concurrent Resolution No. 145, S.D. 1, from the 2017 legislative session (copy attached as **Exhibit C**), DAGS and HHFDC executed a Memorandum of Understanding ("MOU") on February 1, 2018, to optimize development of Parcel 3 with a mixed-use project, including multi-family affordable rental housing, parking,

consideration of DAGS’ civic center needs in Kahului, and the County’s requirement to vacate its bus hub at the adjacent Queen Kaahumanu Center by January 31, 2020 (“the Project”). The County has expressed interest in relocating its bus hub to Parcel 3.

Although the MOU defined DAGS’ and HHFDC’s respective roles and responsibilities in pursuing the Project, the County is not party to this MOU. Staff has been informed that DAGS, HHFDC and the County (“the Parties”) are currently drafting another MOU to delineate the Parties’ respective roles and responsibilities in development of the Project, which was approved by the HHFDC Board on June 14, 2018.

The County’s parcel located at 70 South High Street, Wailuku, Maui, designated as Tax Map Key: (2) 3-4-013:014 (“Parcel 14”), located adjacent to DAGS’s Wailuku Civic Center, also known as the State Office Building (“SOB”), is an essential component of the Project. The County indicated that Parcel 14 may be available for long-term lease to DAGS for a complementary use with the SOB, subject to County Council approval. The Parties are considering including Parcel 14 as part of the office space/civic center and parking portion of the Project.

HHFDC requests a management right-of-entry for the planning and development of the new Maui bus hub, pending the issuance of the new executive order. The HHFDC Board approved the set aside and management right-of-entry of Parcel 3 on June 14, 2018.

Staff solicited comments on the proposed exemption from agencies listed below with the results indicated:

Agency	Comment
DLNR – SHPD	No response by suspense date.
DLNR – Engineering	No comments.
DLNR – DOFAW	No response by suspense date.
DLNR – CWRM	No response by suspense date.
DLNR – State Parks	No comments.
County of Maui – Planning	No objections.
County of Maui – Public Works	No response by suspense date.
County of Maui – Transportation	In support of the Project.
County of Maui – Housing & Human Concerns	No objections / No comments.
Office of Hawaiian Affairs	No response by suspense date.

There are no other pertinent issues or concerns, and staff does not have any objections to this request.

RECOMMENDATION: That the Board:

1. Declare that, after considering the potential effects of the proposed disposition as provided by Chapter 343, HRS, and Chapter 11-200, HAR, this project will probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment.
2. Approve of and recommend to the Governor issuance of an executive order canceling Governor's Executive Order No. 3586 and subject to the following:
 - A. The standard terms and conditions of the most current executive order form, as may be amended from time to time;
 - B. Disapproval by the Legislature by two-thirds vote of either the House of Representatives or the Senate or by a majority vote by both in any regular or special session next following the date of the setting aside;
 - C. Review and approval by the Department of the Attorney General; and
 - D. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.
3. Approve of and recommend to the Governor the issuance of an executive order setting aside the subject lands to Hawaii Housing Finance and Development Corporation, under the terms and conditions cited above, which are by this reference incorporated herein and subject further to the following:
 - A. The standard terms and conditions of the most current executive order form, as may be amended from time to time;
 - B. Disapproval by the Legislature by two-thirds vote of either the House of Representatives or the Senate or by a majority vote by both in any regular or special session next following the date of the setting aside;
 - C. Review and approval by the Department of the Attorney General; and
 - D. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.
4. Authorize the issuance of a management right-of-entry permit to Hawaii Housing Finance and Development Corporation covering the subject area under the terms and conditions cited above, which are by this reference incorporated herein and further subject to the following:

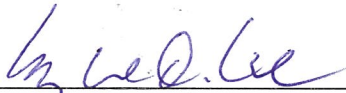
- A. The standard terms and conditions of the most current right-of-entry permit form, as may be amended from time to time; and
- B. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,

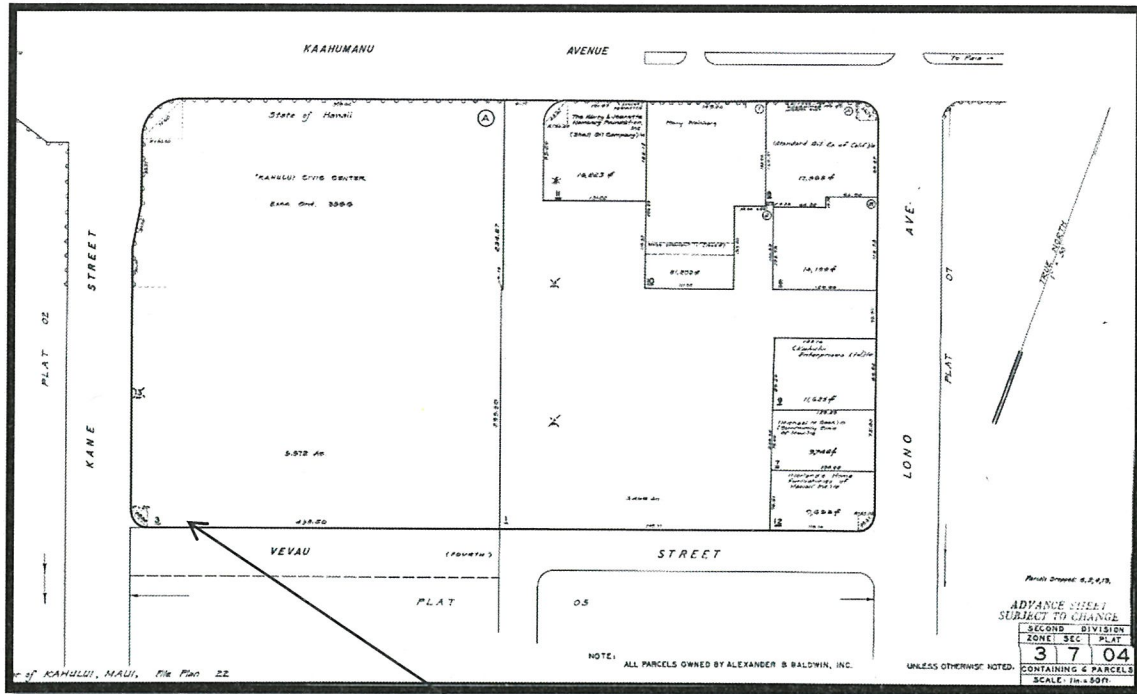


Kevin E. Moore
Assistant Administrator

APPROVED FOR SUBMITTAL:



Suzanne D. Case, Chairperson



TMK: (2) 3-7-004:003

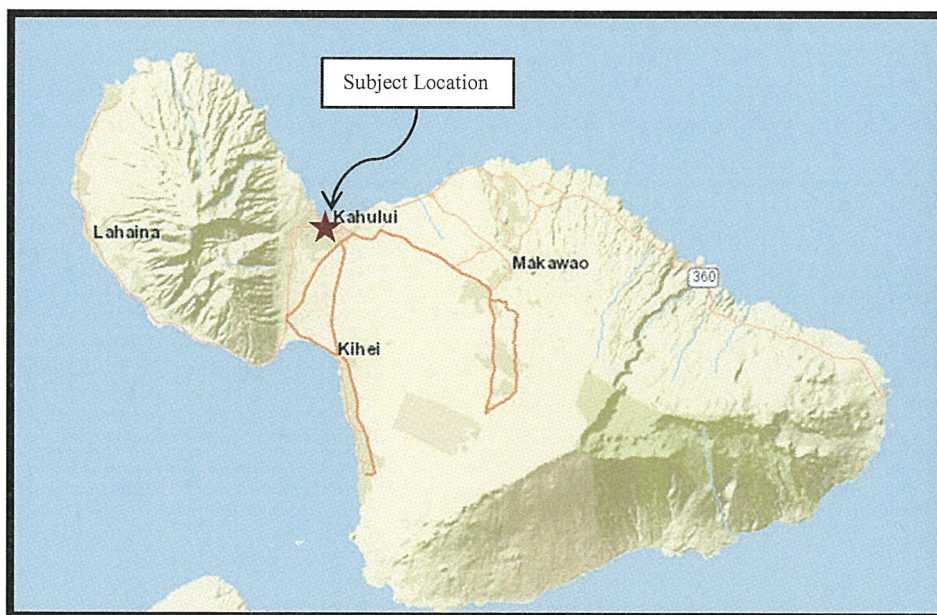


Exhibit A-1



TMK: (2) 3-7-004:003

Exhibit A-2

EXEMPTION NOTIFICATION

Regarding the preparation of an environmental assessment pursuant to Chapter 343, HRS and Chapter 11-200, HAR

Project Title:	Cancellation of Governor’s Executive Order No. 3586 and Reset Aside to Hawaii Housing Finance and Development Corporation (“HHFDC”); Issuance of Management Right-of-Entry to HHFDC for the Development of a Mixed-use Project Consisting of Multi-family Affordable Rental Housing, Office Space/Civic Center, Parking, New Maui Bus Hub and Other Incidental Uses Purposes
Project / Reference No.:	PSF No. 18MD-088
Project Location:	Kahului, Wailuku, Maui, TMK: (2) 3-7-004:003
Project Description:	Cancellation of Governor’s Executive Order No. 3586 and Reset Aside to Hawaii Housing Finance and Development Corporation (“HHFDC”); Issuance of Management Right-of-Entry to HHFDC
Chap. 343 Trigger(s):	Use of State Land and Funds
Exemption Class No.:	In accordance with Hawaii Administrative Rules Section 11-200-8 and the Exemption List for the Department of Land and Natural Resources approved by the Environmental Council and dated June 5, 2015, the subject request is exempt from the preparation of an environmental assessment pursuant to Exemption Class No. 1, that states “Operations, repairs or maintenance of existing structures, facilities, equipment, or topographical features, involving negligible or no expansion or change of use beyond that previously existing” and Item No. 43, that states “transfer of management authority over state-owned lands, such as setting aside of state lands to or from other government agencies through a Governor’s executive order.”
Cumulative Impact of Planned Successive Actions in Same Place Significant?	No. This action pertains to a transfer of management authority from the Department of Accounting and General Services to the Hawaii Housing Finance and Development Corporation. Staff believes that the transfer request will involve negligible expansion or change in use of the subject area beyond previously existing.

Exhibit B

Actions may have
Significant Impact on
Particularly Sensitive
Environment?

No, there will be no significant impact to any particularly sensitive environment.

Analysis:

The proposed transfer of management authority from one government agency to another agency through a Governor's executive order will result in no significant impact to the natural, environmental and/or cultural resources in the area, and the action should be found to be exempt from the preparation of an environmental assessment. Inasmuch as the Chapter 343 environmental requirements apply to HHFDC's use of the lands, HHFDC shall be responsible for compliance with Chapter 343, HRS, as amended.

Consulted Parties:

The agencies below were consulted on the propriety of the HRS Chapter 343 exemption, and expressed no opposition to the exemption:

Agency	Comment
DLNR – SHPD	No response by suspense date
DLNR – Engineering	No comments
DLNR – DOFAW	No response by suspense date
DLNR - CWRM	No response by suspense date
DLNR – State Parks	No comments
County of Maui – Planning	No objections
County of Maui – Public Works	No response by suspense date
County of Maui – Transportation	In support of the Project
County of Maui – Housing & Human Concerns	No objections / No comments
Office of Hawaiian Affairs	No response by suspense date

Declaration:

That the Board find this project will probably have minimal or no significant effect on the environment and is presumed to be exempt from the preparation of an environmental assessment.

THE SENATE
TWENTY-NINTH LEGISLATURE, 2017
STATE OF HAWAII

S.C.R. NO. 145
S.D. 1

SENATE CONCURRENT RESOLUTION

REQUESTING THE DEVELOPMENT OF A COLLABORATIVE PLAN TO BEST
LEVERAGE STATE AND COUNTY FUNDS TO BUILD AFFORDABLE HOUSING
PROJECTS AND AN EXPLORATION OF THE FEASIBILITY OF
TRANSFERRING A PARCEL OF LAND IN KAHULUI, MAUI, TO THE
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION.

1 WHEREAS, the lack of affordable housing has been one of
2 Hawaii's most significant and challenging social problems, with
3 home prices and rental costs for Hawaii's residents continuing
4 to escalate; and

5
6 WHEREAS, a shortage of affordable workforce housing
7 compounds the problem with traffic congestion, as growing
8 numbers of families are unable to find reasonably priced housing
9 near their workplaces; and

10
11 WHEREAS, increased construction of affordable workforce
12 housing supports the goals of the counties and the State to
13 address Hawaii's affordable housing crisis; and

14
15 WHEREAS, the counties and the State have administrative and
16 funding resources through which they are able to develop or
17 encourage the development of affordable workforce housing; and

18
19 WHEREAS, the Hawaii Housing Finance and Development
20 Corporation is a statewide agency tasked with developing
21 affordable housing and has the proven record and resources in
22 the planning, development, construction, and financing of
23 affordable housing, as well as the existing relationships needed
24 to engage in public-private partnerships to build more
25 affordable housing; and

26
27 WHEREAS, identification and transfer of underutilized or
28 state-owned and county-owned lands for the benefit of or to the
29 Hawaii Housing Finance and Development Corporation for building

2017-2283 SCR145 SD1 SMA.doc

1



Exhibit C

Page 2

S.C.R. NO. 145
S.D. 1

1 mixed-use affordable housing projects facilitate the development
2 and implementation of a collaborative affordable housing plan;
3 now, therefore,
4

5 BE IT RESOLVED by the Senate of the Twenty-ninth
6 Legislature of the State of Hawaii, Regular Session of 2017, the
7 House of Representatives concurring, that the Hawaii Housing
8 Finance and Development Corporation is requested to develop a
9 collaborative plan to best leverage the various affordable
10 housing funds of the State and each county to build affordable
11 housing projects; and
12

13 BE IT FURTHER RESOLVED that the Hawaii Housing Finance and
14 Development Corporation is requested to work with the
15 appropriate government agencies to identify and fund the
16 necessary infrastructure improvements needed for the
17 construction of affordable housing projects; and
18

19 BE IT FURTHER RESOLVED that the Hawaii Housing Finance and
20 Development Corporation, Department of Accounting and General
21 Services, and County of Maui are requested to work together to:
22

23 (1) Explore the feasibility of transferring a parcel of
24 land located at 153 West Kaahumanu Avenue, Kahului,
25 Hawaii, identified as tax map key number 370040030000,
26 to the Hawaii Housing Finance and Development
27 Corporation for the purpose of developing a mixed-use
28 rental housing project that includes consideration of
29 the Department of Accounting and General Services
30 Civic Center needs in Kahului and Wailuku, Hawaii; and
31

32 (2) Enter into a memorandum of understanding, if
33 appropriate, to execute the transfer; and
34

35 BE IT FURTHER RESOLVED that the Hawaii Housing Finance and
36 Development Corporation is requested to examine the potential of
37 a unified affordable housing approval process to streamline the
38 regulatory requirements for building affordable housing projects
39 on all islands in the State; and
40

41 BE IT FURTHER RESOLVED that certified copies of this
42 Concurrent Resolution be transmitted to the Governor, Executive



Page 3

S.C.R. NO. 145
S.D. 1

- 1 Director of the Hawaii Housing Finance and Development
- 2 Corporation, Comptroller, Interim Executive Director of the
- 3 Hawaii Community Development Authority, Mayor of each county,
- 4 and Chairperson of each county council.

