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STATE OF HAWAII

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IN REPLY REFER TO:

18:DEV/002

January 9, 2019

TO: Suzanne D. Case, Chairperson
Board of Land and Natural Resources

FROM: Craig K. Hirai, Executive Director 

SUBJECT: Support of BLNR Agenda Item D-2
Amend Prior Board Action of September 28, 2018, Agenda Item D-3,
*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*

The Hawaii Housing Finance and Development Corporation (HHFDC) **supports** Item D-2 to amend the prior Board Action of September 28, 2018 to: (i) consent after the fact to the Department of Accounting and General Services' (DAGS) issuance of a Right-of-Entry (ROE) permit at the Kahului Civic Center property at 153 West Kaahumanu Avenue, Kahului, Maui, Hawaii, Tax Map Key No. (2) 3-7-004: 003 (Kahului Civic Center Property), to the County of Maui (County) for site investigation and planning purposes as the land is currently set aside to DAGS under Executive Order (EO) No. 3586, and (ii) consent to HHFDC's issuance of a ROE permit to the County for site investigation and planning purposes, after EO No. 3586 is cancelled and the land is reset aside to HHFDC.

On September 28, 2018, the Board of Land and Natural Resources (BLNR) approved the cancellation of Governor's Executive Order No. 3586 to DAGS and reset aside of the Kahului Civic Center Property to HHFDC and a management ROE to HHFDC for development of a mixed-use project consisting of multi-family affordable rental housing, office space/civic center, parking, a new Maui bus hub and other incidental uses purposes.

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The County must relocate its bus hub from the Queen Kaahumanu Center by January 31, 2020, and would like to relocate the bus hub to the Kahului Civic Center Property along Vevau Street. After approval by the Maui County Council, on December 24, 2018, HHFDC, DAGS and the County executed a Memorandum of Understanding which provides for the issuance of a 65-year ground lease of a portion of the Kahului Civic Center Property to the County at \$1/year for the bus hub and the County's issuance of a 65-year ground lease at \$1/year to DAGS for the County's property at 70 South High Street in Wailuku, Hawaii, Tax Map Key No. (2) 3-4-013: 014, for a complimentary use with DAGS' State Office Building.

The proposed DAGS' and HHFDC ROE will enable the County to conduct site investigation and planning studies at the Kahului Civic Center Property for its proposed relocation of the bus hub to the Kahului Civic Center Property.

Your favorable consideration of this agenda item is appreciated.