

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

July 11, 2025

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

Ref: GL S-5548

MAUI

Authorize Chairperson to Sign the Unilateral Agreement and Declaration of Conditions for State Land Use District Boundary Amendment relating to General Lease No. S-5548, Hana Health, a Hawai'i nonprofit corporation, formerly known as Hana Community Health Center, Inc., Lessee, Kawaipapa, Hana, Maui, Tax Map Keys: (2) 1-4-003:022 and 024.

APPLICANT:

Hana Health, a Hawaii non-profit corporation, formerly known as Hana Community Health Center, Inc. (Hana Health or Lessee).

LEGAL REFERENCE:

Section 171-6, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands situated at Kawaipapa, Hana, Maui, identified by Tax Map Keys: (2) 1-4-003:022 and 024, as shown on the attached map labeled Exhibit 1.

AREA:

Parcel 22 - approximately 10.070 acres  
Parcel 24 - approximately 2.035 acres  
TOTAL: approximately 12.105 acres

ZONING:

State Land Use Commission:	Agriculture/Rural
County of Maui CZO:	Interim

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: YES \_\_\_\_ NO  
  X  

CHARACTER OF USE:

Providing health care services to the Hana community as set forth in Lessee's articles of incorporation and other services commonly provided by government.

TERM OF LEASE:

Fifty-five (55) years, commencing on July 1, 1997, up to and including June 30, 2052.

ANNUAL RENTAL:

\$1.00.

REMARKS AND BACKGROUND:

The district of Hana is federally designated as a Medically Under-Served Population and a Primary Care Health Professional Shortage Area. Pursuant to Act 263, Session Laws of Hawaii 1996, an affiliation was established between the State through the Department of Health and the community of Hana through a Hana non-profit health care organization to support the development of a community-based health care program. Hana Health, a Federally Qualified Health Center, is the only health care provider in the District of Hana. It provides primary medical care, dental health services, and behavioral health care to the resident population, and also to any of the visitors to Hana who find themselves in need of medical care. Hana Health is often called upon to provide ancillary and specialty care, including physical therapy, cardiac rehabilitation therapy, and mental health services. Hana Health is currently unable to adequately address these needs due to lack of appropriate facilities and healthcare professionals. Hana Health now wants to address transitional care and other health care needs of the Hana Community by adding a specialty clinic and work force housing on General Lease No. S-5548.

Providing workforce housing to Hana Health physicians, healthcare providers, and administrators is crucial to maintain and grow health care services in Hana. Hana has a housing shortage which, coupled with the isolation, has had debilitating effects on Hana Health's ability to attract healthcare employees and adequate staffing for operations. The situation is so dire that Hana Health purchased a home in 2021 to rent back to one of its healthcare providers. More recently, two physicians declined employment with Hana Health due to a lack of housing options. Furthermore, the salary of a recent physical therapy hire had to be increased by \$30,000 annually in order to cover the cost of a

\$4,800/month rental.

Hana Health's proposed uses must be permissible uses within the land use classification. In this case, the State land use classification for TMK No. (2) 1-4-003:022 (Parcel 22) is Agricultural District and this must be amended to a land use designation that permits the workforce housing proposed by Hana Health.

Hana Health has been working with the Maui County Planning Department (County) to obtain a District Boundary Amendment (DBA) for Parcel 22. The DBA is subject to approval by the County Council.<sup>1</sup> To proceed, the County requires the State and Hana Health sign a Unilateral Agreement and Declaration of Conditions for State Land Use District Boundary Amendment (Unilateral Agreement). The Unilateral Agreement is attached as Exhibit 2.

The Unilateral Agreement contains conditions that would encumber the State land beyond the term of the lease, into perpetuity. Specifically, the Unilateral Agreement states,

1. There shall be a prohibition on any action that would interfere with or restrain farming operations adjacent to the petition area provided the farming operations are conducted in a manner consistent with generally accepted agricultural and management practices on adjacent or contiguous lands in the agricultural district.
2. There shall be notification to all prospective developers or purchasers of land or interest in land in the petition area and subsequent notification to lessees or tenants of land that farming operations and practices on adjacent or contiguous land in the agricultural district are protected under Chapter 165, Hawaii Revised Statutes, the Hawaii Right to Farm Act, and that the notice shall be included in any disclosures required for the sale or transfer of real property or any interest in real property.
3. To the extent practicable while serving the staffing needs of the center, priority for housing shall be given to Hana residents.

After getting clarification from the County, staff is including a recommendation below that the Board delegate to the Chairperson the authority to review and approve the Unilateral Agreement with conditions 1 and 2, subject to the removal of condition 3. Hawaii Revised Statutes (HRS) §205-3.5 mandates conditions 1 and 2 be a part of the Unilateral Agreement.<sup>2</sup> Condition 3 was proposed by the Hana Advisory Committee.

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<sup>1</sup> The Land Use Commission delegated the approval of district boundary amendments for areas less than 15 acres to the respective Counties.

<sup>2</sup> [HRS §205-3.5] Reclassification of land contiguous to an agricultural district; approval conditions. (a) Any decision approving a petition for a boundary amendment pursuant to this chapter where lands in the petition area are contiguous or adjacent to lands in the agricultural district, shall include the following conditions in the decision granting approval:

(1) A prohibition on any action that would interfere with or restrain farming operations; provided the farming operations are conducted in a manner consistent with generally accepted agricultural and management practices on adjacent or contiguous lands in the agricultural district; and

(2) Notification to all prospective developers or purchasers of land or interest in land in the petition area and subsequent notification to lessees or tenants of the land, that farming operations and practices on adjacent or contiguous land in the agricultural district are protected under chapter 165, the Hawaii right to farm act, and that the notice shall be included in any disclosure required for the sale or transfer of real property or any interest in real property.

Staff recommends against acceptance of condition 3, which is not required by statute. Staff believes condition 3 is overbroad, unenforceable, and limits the ability of a future lessees to fully utilize the land once Hana Health's lease term has expired. Accordingly, staff can only recommend Chairperson sign the Unilateral Agreement if condition 3 is removed.

Hana Health is in compliance with its lease terms.

RECOMMENDATION: That the Board:

- A. Delegate to the Chairperson the authority to review and approve the Unilateral Agreement and Declaration of Conditions for State Land Use District Boundary Amendment with conditions 1 and 2, subject to the removal of condition 3, and further subject to the following:
  - 1. Review and approval by the Department of the Attorney General; and
  - 2. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,



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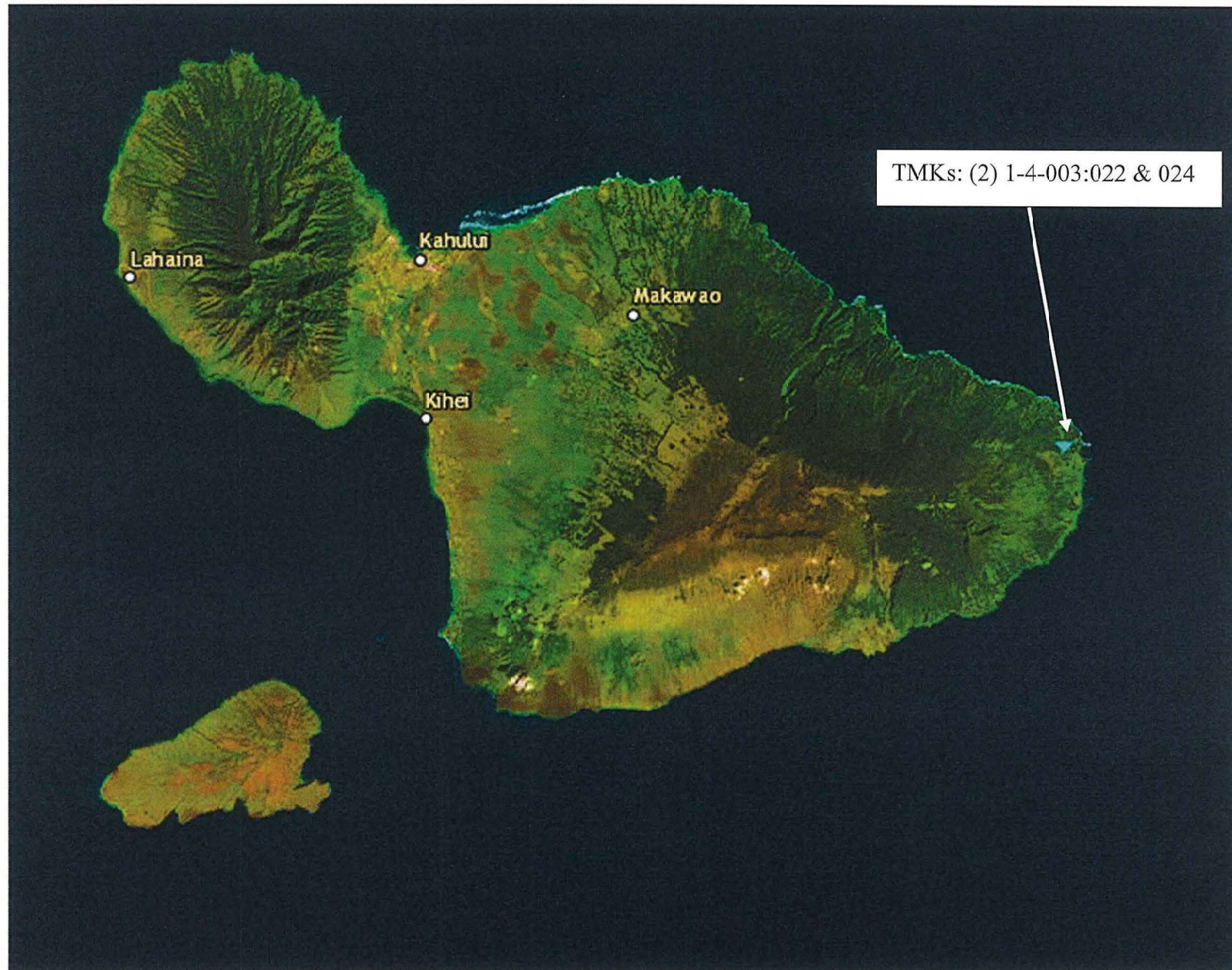
Andrew R. Tellio  
Appraisal and Real Estate Specialist

APPROVED FOR SUBMITTAL:



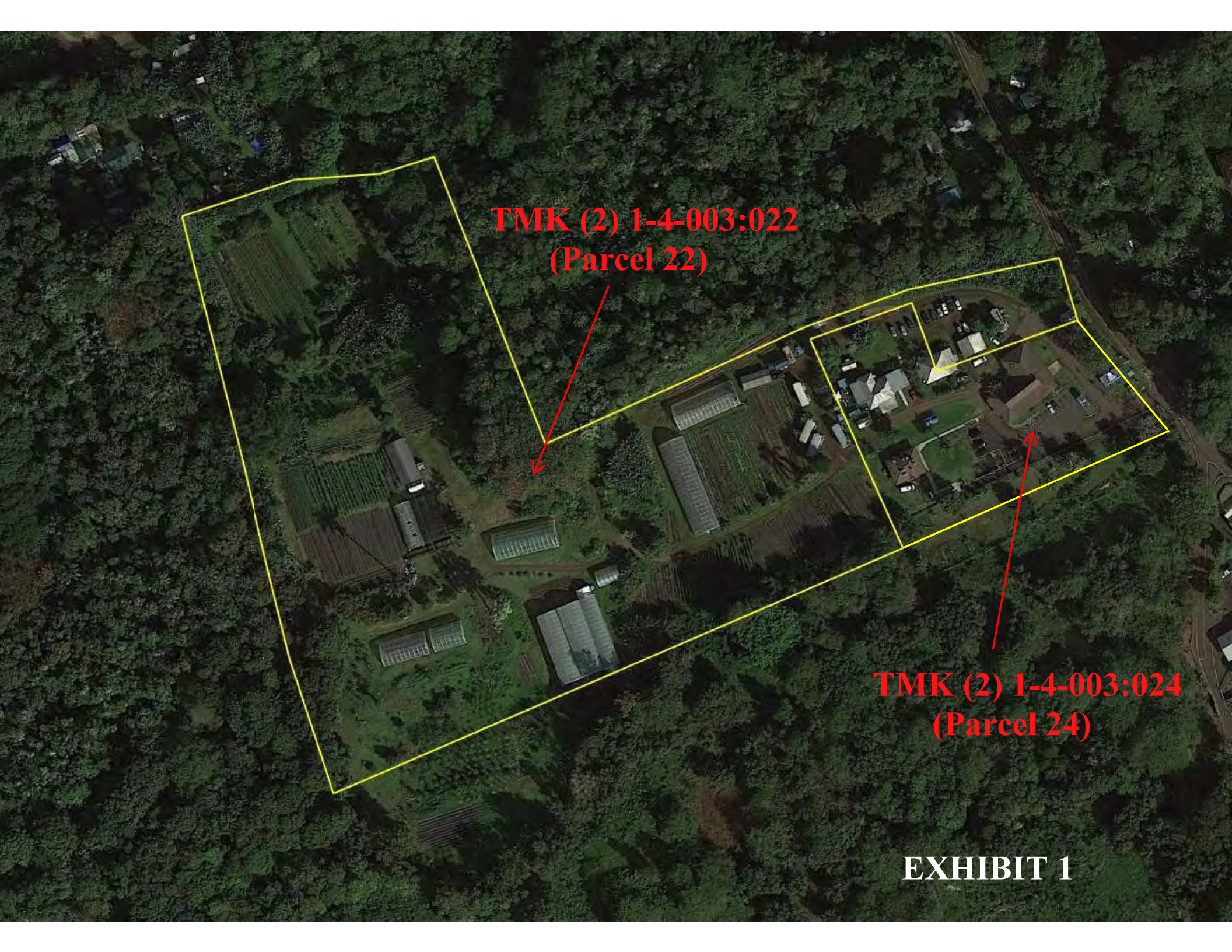
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Dawn N.S. Chang, Chairperson



**EXHIBIT 1**





**TMK (2) 1-4-003:022  
(Parcel 22)**

**TMK (2) 1-4-003:024  
(Parcel 24)**

**EXHIBIT 1**



LAND COURT SYSTEM

REGULAR SYSTEM

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Return By Mail ( X ) Pickup ( ): To:

Office of the County Clerk  
County of Maui  
200 South High Street  
Wailuku, Hawai'i 96793

Total Number of Pages: 10

(Including exhibits, notary certification pages, and all other components)

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Affects Tax Map Key (2) 1-4-003:022 (portion)

**UNILATERAL AGREEMENT AND DECLARATION OF CONDITIONS FOR STATE LAND  
USE DISTRICT BOUNDARY AMENDMENT**

THIS INDENTURE, referred to as "Declaration" or "Unilateral Agreement," is made this \_\_ day of \_\_\_\_\_, 2025, by Hana Health, formerly known as Hana Community Health Center, Inc., whose principal address is at 4590 Hana Highway, Hana, Hawai'i, 96713, referred to as "Hana Health"; and by the State of Hawaii, through the Board of Land and Natural Resources, whose principal place of business is located in Honolulu, Oahu, Hawaii, and whose mailing address is 1151 Punchbowl Street, Honolulu, Hawai'i, 96813, referred to as the "State." Hana Health and the State shall hereinafter be referred to collectively as the "Declarant."

**WITNESSETH**

WHEREAS, the State is the owner of that certain 9.501-acre portion of real property located at Kawaipapa, Hana, Maui, and identified for real property tax purposes as tax map key (2) 1-4-003:022, referred to as "the Property"; and

WHEREAS, the State's authorized signatory is the Chairperson of the Board of Land and Natural Resources, State of Hawai'i, who is currently Dawn N. S. Chang; and

WHEREAS, Hana Health is the lessee of the Property, and its authorized contact person is the Executive Director, who is currently Cheryl Vasconcellos; and

WHEREAS, a letter of authorization, dated August 8, 2024, and signed by Dawn N. S. Chang, authorized the initiation of proceedings regarding a State Land Use District Boundary Amendment for the Property; and

WHEREAS, the Council is considering a bill for an ordinance to amend the State Land Use District Boundary for the Property, described in Exhibit "1" and more particularly identified in Exhibit "2," State Land Use District Boundary Amendment Map 305; and

WHEREAS, the Declarant has agreed to execute this Unilateral Agreement in accordance with Section 19.68.040, Maui County Code;

NOW, THEREFORE, the Declarant makes the following Declaration:

1. In accordance with Maui County Code. That this Declaration is made in accordance with the provisions of Section 19.68.040, Maui County Code, relating to State Land Use District Boundary Amendments;

2. Binding until Maui County written release. That until written release by the County of Maui, (a) the Property, and all its parts, are held subject to this Declaration's covenants, conditions, and restrictions, which are effective as to and run with the Property, from and after the recording of this Declaration with the Bureau of Conveyances or the Land Court of the State of Hawaii, without the execution, delivery, or recordation of any further deed, instrument, document, agreement, declaration, covenant, or the like with respect to the Property by the Declarant, the County of Maui, or any successor or assign; (b) the acquisition of any right, title, or interest in or with respect to the Property by any person or entity constitutes acceptance of all of the covenants, conditions, and restrictions of this Declaration by the person or entity; and (c) upon any transfer of any right, title, or interest in or with respect to the Property, the transferee assumes, is bound by, and is obligated to observe and perform all of the covenants, conditions, and restrictions of this Declaration;

3. Running with the Land. That this Declaration and all of its covenants, conditions, and restrictions contained are effective as to and run with the land in perpetuity, or until the Declarant notifies the County Department of Planning that any of the covenants, conditions, and restrictions are satisfied by the Declarant, and the Department verifies the satisfaction and provides a written release of the covenant, condition, or restriction;

4. Hana Health and the State as Declarant. That the term "Declarant" and any pronoun in reference to it, wherever used in this Declaration, means the singular or the plural, the masculine or the feminine, or the neuter, and vice versa, and includes any corporation or any other entity, and means and includes Declarant and the Declarant's successors and assigns;



5. Effective as of date State Land Use District Boundary Amendment ordinance approved. That this Declaration is fully effective on the effective date of the State Land Use District Boundary Amendment ordinance approving the establishment of a State Land Use reclassification from the Agricultural District to the Rural District for the Property;

6. Develop consistent with State Land Use District Boundary Amendment conditions. That the Declarant agrees to develop the Property in conformance with the conditions stated in Exhibit “3” and in the State Land Use District Boundary Amendment ordinance;

7. Conditions reasonable and rationally related to public health, safety, and welfare. That the conditions imposed are reasonable and rationally related to the objective of preserving the public health, safety, and general welfare and fulfill the need for the public service demands created by the Property’s proposed use;

8. Conditions enforceable by County of Maui. AND IT IS EXPRESSLY UNDERSTOOD AND AGREED that until released in writing by the County of Maui, the conditions imposed in this Declaration run with the land identified in this Declaration and bind and constitute notice to all subsequent owners, lessees, grantees, assignees, mortgagees, lienors, and any other persons who claim an interest in the Property. The Declarant further understands and agrees that the County of Maui has the right to enforce this Declaration by appropriate action at law or suit in equity against all such persons, with the understanding the Declarant or its successors and assigns may at any time file a petition with the County Department of Planning for the removal of the conditions and termination of this Unilateral Agreement, which will be processed in the same manner as petitions for State Land Use District Boundary amendments.

This Declaration may be executed in counterparts, each of which will be deemed to be an original, but all of which, taken together, constitute one and the same Declaration.

Any persons signing this Unilateral Agreement represent that they are duly authorized and have legal capacity to execute and deliver this Unilateral Agreement. Each party represents to the other that the execution and delivery of this Unilateral Agreement and the performance of the party’s obligations have been duly authorized and that this Unilateral Agreement is a valid and legal agreement binding on the party and enforceable in accordance with its terms.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the undersigned has executed this Declaration on the day and year indicated on the following notary public certification pages.

DECLARANT:

By: \_\_\_\_\_  
CHERYL VASCONCELLOS  
Hana Health  
Executive Director

By: \_\_\_\_\_  
DAWN N. S. CHANG  
State of Hawaii  
Board of Land and Natural Resources  
Chairperson

Approved as to Form and Legality:

By: \_\_\_\_\_  
Deputy Corporation Counsel  
County of Maui

By: \_\_\_\_\_  
Deputy Attorney General  
State of Hawaii

STATE OF HAWAII )  
 ) SS.  
COUNTY OF MAUI )

On this \_\_\_\_ day of \_\_\_\_\_, before me personally appeared \_\_\_\_\_,  
to me personally known, who being by me duly sworn, did say that he/she is the \_\_\_\_\_ of  
\_\_\_\_\_, and that said instrument was signed on behalf of \_\_\_\_\_, and  
\_\_\_\_\_, as \_\_\_\_\_, acknowledged said instrument to be the free act  
and deed of \_\_\_\_\_.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

| Stamp or Seal |

\_\_\_\_\_  
Notary Public, State of \_\_\_\_\_

Print Name: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

NOTARY PUBLIC CERTIFICATION

Doc Date: \_\_\_\_\_ # Pages: \_\_\_\_\_

Notary Name: \_\_\_\_\_ Judicial Circuit: \_\_\_\_\_

Document Description: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Notary Signature: \_\_\_\_\_

Date: \_\_\_\_\_

STATE OF HAWAII )  
 ) SS.  
COUNTY OF MAUI )

On this \_\_\_\_ day of \_\_\_\_\_, before me personally appeared \_\_\_\_\_,  
to me personally known, who being by me duly sworn, did say that he/she is the \_\_\_\_\_ of  
\_\_\_\_\_, and that said instrument was signed on behalf of \_\_\_\_\_, and  
\_\_\_\_\_, as \_\_\_\_\_, acknowledged said instrument to be the free act  
and deed of \_\_\_\_\_.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

| Stamp or Seal |

\_\_\_\_\_  
Notary Public, State of \_\_\_\_\_

Print Name: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

NOTARY PUBLIC CERTIFICATION

Doc Date: \_\_\_\_\_ # Pages: \_\_\_\_\_

Notary Name: \_\_\_\_\_ Judicial Circuit: \_\_\_\_\_

Document Description: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Notary Signature: \_\_\_\_\_

Date: \_\_\_\_\_



# EXHIBIT "1"

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## DESCRIPTION PORTION OF GRANT 1906 TO KAHOOILIMOKU PORTION OF PARCEL 22 OF TAX MAP KEY: (2) 1-4-003

All of that certain parcel of land, being a Portion of Grant 1906 to Kahoolimoku, being a portion of Parcel 22 of Tax Map Key: (2) 1-4-003, also being a portion of Part 1 of the Hana Community Health Center Site, (C.S.F. 22,667), situated at Kawaipapa, Hana, Island and County of Maui, State of Hawai'i and being more particularly described as follows:

Beginning at a found 2-inch pipe at the south corner of this parcel of land, on the northeasterly boundary of a Portion of Grant 1819 to Kahananui, being Parcel 9 of Tax Map Key: (2) 1-4-003, said point also being the east corner of a Portion of Grants 1269 and 3011 to Kapawa, being Parcel 41 of Tax Map Key: (2) 1-4-003, the coordinates of said point of beginning referred to Government Survey Triangulation Station "KAUIKI" being:

2,864.09 feet North

5,306.70 feet West

and running by azimuths measured clockwise from true South:

1. 161° 01' 00" 183.53 feet along said Portion of Grants 1269 and 3011 to Kapawa, being Parcel 41 of Tax Map Key: (2) 1-4-003;
2. 163° 17' 00" 122.03 feet along said Portion of Grants 1269 and 3011 to Kapawa, being Parcel 41 of Tax Map Key: (2) 1-4-003;
3. 162° 41' 00" 153.75 feet along said Portion of Grants 1269 and 3011 to Kapawa, being Parcel 41 of Tax Map Key: (2) 1-4-003;
4. 162° 02' 00" 329.60 feet along said Portion of Grants 1269 and 3011 to Kapawa, being Parcel 41 of Tax Map Key: (2) 1-4-003, to a found ¾-inch pipe at the southeasterly boundary of a Portion of Royal Patent 7604, Land Commission Award 4566 to Wahineaa, being Parcel 20 of Tax Map Key: (2) 1-4-003;
5. 250° 45' 00" 153.93 feet along said Portion of Royal Patent 7604, Land Commission Award 4566 to Wahineaa, being Parcel 20 of Tax Map Key: (2) 1-4-003, to the south corner of Lot A-7 of the Subdivision of Royal Patent 6447, Land Commission Award 4846 to Kaholokai and the west corner of a Portion of Grant 1906 to Kahoolimoku, being Parcel 23 of Tax Map Key: (2) 1-4-003;

# EXHIBIT "1"

6. 262° 54' 00" 117.11 feet along said Portion of Grant 1906 to Kahooilimoku, being Parcel 23 of Tax Map Key: (2) 1-4-003, to a found 2-inch pipe;
7. 250° 48' 00" 77.04 feet along said Portion of Grant 1906 to Kahooilimoku, being Parcel 23 of Tax Map Key: (2) 1-4-003;
8. 336° 42' 00" 416.80 feet along said Portion of Grant 1906 to Kahooilimoku, being Parcel 23 of Tax Map Key: (2) 1-4-003, to a found ½-inch pipe;
9. 244° 01' 00" 385.40 feet along said Portion of Grant 1906 to Kahooilimoku, being Parcel 23 of Tax Map Key: (2) 1-4-003;
10. 335° 49' 00" 324.98 feet along the remainder of said Portion of Grant 1906 to Kahooilimoku, being Parcel 22 of Tax Map Key: (2) 1-4-003, to a found ½-inch pipe at to the west corner of a Portion of Grant 1819 to Kahananui, being Parcel 25 of Tax Map Key: (2) 1-4-003 and the north corner of said Portion of Grant 1819 to Kahananui, being Parcel 9 of Tax Map Key: (2) 1-4-003;
11. 65° 48' 30" 807.40 feet along said Portion of Grant 1819 to Kahananui, being Parcel 9 of Tax Map Key: (2) 1-4-003, to the point of beginning and containing and area of 9.501 Acres, more or less.

Prepared by:

**NEWCOMER-LEE  
LAND SURVEYORS, INC., a Hawai'i Corporation**



3/24/06  
GYA/HANA  
File 02-5592  
02-5592 GYA-Hana Medical Center Portion Parcel 22

This description was prepared from a  
survey on the ground performed by me or  
under my supervision.

*Bruce R. Lee* 04/08

**BRUCE R. LEE**  
Licensed Professional Land  
Surveyor Certificate No. 5983-LS

SCALE: 1" = 200'

VICINITY MAP

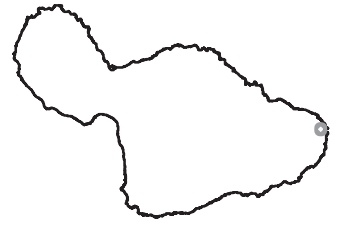


EXHIBIT "2"

TMK (2) 1-4-003:023

TMK (2) 1-4-003:022 (por.)  
STATE OF HAWAII

9.501 Acres  
AG to RURAL

TMK (2) 1-4-003:024

TMK (2) 1-4-003:025

TMK (2) 1-4-003:041

TMK (2) 1-4-003:009

TAX MAP KEY

T.M.K. (2) 1-4-003:022  
(POR.)

AREA

9.501 Acres

## LAND USE DISTRICT BOUNDARY AMENDMENT MAP NO. 305

DISTRICT BOUNDARY AMENDMENT - HANA, MAUI, HAWAII  
FROM AGRICULTURAL DISTRICT TO RURAL DISTRICT

## EXHIBIT "3"

As used in these conditions, "petition area" means the 9.501-acre portion of tax map key (2) 1-4-003:022

1. There shall be a prohibition on any action that would interfere with or restrain farming operations adjacent to the petition area provided the farming operations are conducted in a manner consistent with generally accepted agricultural and management practices on adjacent or contiguous lands in the agricultural district.
2. There shall be notification to all prospective developers or purchasers of land or interest in land in the petition area and subsequent notification to lessees or tenants of land that farming operations and practices on adjacent or contiguous land in the agricultural district are protected under Chapter 165, Hawaii Revised Statutes, the Hawaii Right to Farm Act, and that the notice shall be included in any disclosures required for the sale or transfer of real property or any interest in real property.
3. To the extent practicable while serving the staffing needs of the center, priority for housing shall be given to Hāna residents.