

2024 ANNUAL PROGRESS REPORT



MÁ'ALAEA MAUKA SAVED WITH YOUR HELP!

Aloha,

After fifteen years of effort, we were grateful this past October to attend a blessing of the recently acquired Māʻalaea Mauka lands. Maui Tomorrow, the Māʻalaea Village Association, and many other members of the community long ago saw the value of protecting these 257 acres from inappropriate development in this windy, fire-prone area, and we took sustained action. Now that it has been protected, wise management of this lower portion of the Pōhākea Watershed will be needed to interrupt the cycle of burning and erosion. This will be critical to restoring and protecting the water quality of Māʿalaea Bay.

This year we also celebrated another Hawai'i Supreme Court victory with our ally, Hui O Nā Wai 'Ehā. The Court agreed that streams need to have enough water to support their life cycles, and that hard working kalo farmers need to have water in their lo'i. We look forward to working with the state water commission to implement the court's decision.

If someone were to suggest solving Maui's affordable housing problem by building 80 percent luxury housing, we would reject the idea as foolish. Yet that has been the County's approach for over a decade. We can do better! Maui Tomorrow is working with affordable housing proponents to make sure that permanently affordable housing for residents is prioritized. At the same time, resident housing needs to be located in appropriate areas that won't compromise open spaces, water quality, food security, or other important elements of Maui's quality of life. It is clear that the need for reasonably priced housing has not been addressed properly, but proposed developer solutions such as deregulation at the expense of the environment will undermine the community's other goals. The deregulation (or "streamlining") process is already underway, so better solutions are urgently needed.

Maui's recovery from the devastating firestorm of 2023 continues. In view of increasing fires throughout the world, we need to place even greater emphasis on wildfire mitigation, land use, evacuation planning, and building codes. Regenerative agriculture in greenbelts between developed and undeveloped areas can also be a key part of Maui's necessary efforts to reduce wildfire hazards and increase resilience in the face of climate change.

We invite you to get involved with us as we work to share a positive vision for Maui's future. *Cover Photo:* Looking makai across the Mā'alaea Mauka lands that are now protected in perpetuity. Photo credit: Keoki Pfaeltzer

Mā'alaea Mauka Has Now Been Saved!



This panoramic photo looking mauka from Honoapi'ilani Highway shows the Māʿalaea Mauka lands that were protected, which will now be properly managed as part of the Pohākea watershed.

This land is now owned by the state, and will be preserved in perpetuity as open space. Along with the publicly owned 4,000-acre Pōhākea state forest reserve above it, this area will be managed to reduce fires, improve the water quality of Mā'alaea Bay, and preserve the important scenic views from the highway and from the Lahaina Pali Trail. A blessing was held on the land in October. We are grateful for all the support from the various community groups and agencies, as well as everyone who testified, donated or otherwise worked to achieve this hard-fought victory. Mahalo for helping to make a difference for Maui!

Protecting Coastal Resources

In November, Maui Tomorrow won another significant victory to protect Maui's coastal resources. The Maui District Court invalidated the Maui Planning Commission's recently updated "Special Management Area" rules, which govern activities near the shoreline.

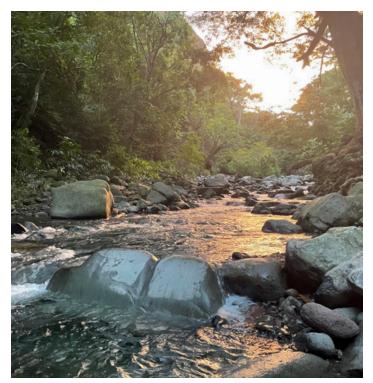
The Special Management Area (SMA) is the makai part of the island that has been given additional protection by the County under the Hawai'i Coastal Zone Management Act. Over a period of several years, Maui Tomorrow and our supporters had testified that the proposed updates exceeded the authority of the Commission, because they included "categorical exemptions" that allowed private parties to decide - on their own - that projects in certain categories were not subject to SMA regulation. For example, under the new rules, up to 1,000 feet of asphalt or concrete slabs or driveways could have been installed every two years with no review by the county. This type of incremental development without county review could have cumulative, significant environmental and ecological impacts on Maui's coastal environment. In addition, the new rules would have allowed developers to file inadequate and incomplete draft environmental impact documents when submitting applications to the County.

When the amended rules were passed anyway, we challenged them in Environmental Court, and the court agreed that the planning commission had exceeded its authority. Before the decision was issued, we had already seen the County directing developers to use "categorical exemptions" to bypass review - even for projects with obvious environmental impacts.

Rather than relaxing the rules that protect Maui's precious coastal resources, the County should be devoting more resources to protecting them. While we hope that the County will respect the court's decision, it's likely that they will appeal. In that case, we will need to defend it. We are grateful for your continued support of our efforts to protect Maui's coastal resources.

Nā Wai 'Ehā

Almost 20 years after we got involved, the Hawai'i Supreme Court issued a landmark decision in the Nā Wai 'Ehā water case. In a unanimous opinion, the court ruled in favor of Hui o Nā Wai 'Ehā, Maui Tomorrow Foundation, and the Office of Hawaiian Affairs to invalidate the 2021 decision of the state water commission that failed to return more stream flows to Nā Wai 'Ehā after the closure of the former sugar plantation in 2016. At the same time, the court rejected the challenges of several large water users against the commission's decision to regulate and limit their water diversions. The



Wailuku River at sunset.

court sent the case back to the water commission to properly restore Nā Wai 'Ehā stream flows to the extent practicable as mandated by law.

Nā Wai 'Ehā (the Four Great Waters) encompasses Waikapū Stream, Wailuku River, Waiehu Stream, Waihe'e River, and their surrounding ahupua'a.

For two decades, Maui Tomorrow has been proud to stand with the water protectors of Nā Wai 'Ehā. We are grateful that the Hawai'i Supreme Court agrees that streams need to have enough water to support their life cycles, and that traditional kalo farmers have rights to enough water. With your help we will continue to engage with the water commission and encourage them to properly apply the court's decision. ▲

A New Approach to Affordable Housing is Needed

Although increasing the supply of housing sounds like a reasonable solution to the affordable housing problem, it will not work due to unlimited offshore demand. Even if Maui were to be completely covered with new homes, residents earning local wages would be unable to afford the prices that outside buyers can pay. Fortunately, there are solutions to this problem that are used with success in other visitor-oriented economies. We are sharing those ideas with decision makers so that they can be adapted for use in ways that make sense for Hawai'i.

Although thousands of housing units have been built over the past several decades, they have so far failed to house Maui's people. On the other hand, our current system is working great for luxury housing developers; it benefits them to hold out the carrot of affordable housing in order to gain approval to build 80% market priced homes. When built in resort areas like Wailea, these are essentially luxury homes for buyers who don't even live here. There are already about 15,000 second homes on Maui. In this time when families who have been here for generations are leaving Maui, allocating our scarce infrastructure to build more luxury homes should be a low priority. Maui County has been calling it a victory when the remaining 20% of the homes built are "affordable," but after 5 to 10 years, even those units can be sold at market prices. This leaves our community with no net gain of affordable homes.

Maui County's Workforce Housing Ordinance is intended to standardize requirements for developers to provide housing that working families can afford. In addition to the above, it has not been working well for several reasons:

- Families who qualify for workforce housing under the County's income guidelines may not qualify for a mortgage. When developers can't find buyers at workforce housing income levels, they are allowed to sell the homes at market price and pocket half of the difference. As a result, the percentage of homes sold to workforce buyers is often under 20 percent of the total number of units in a project.
- Instead of actually building workforce homes, developers can buy and use "workforce housing credits." These credits can often be bought for less than the cost of actually building a home, and can be used anywhere in the county – often far from the proposed housing development.
- A 2022 law that required the County to compile a prioritized list of applicants for affordable housing has still not been implemented. Developers are still allowed to establish their own lists. This enables them to choose who gets the affordable units.

Maui Tomorrow continues to advocate for solutions that will actually house Maui's people – while preserving the open space, rural character and quality of life that make our island $n\bar{o}$ ka 'oi.

Wailea 670: A Classic Case of Bait and Switch

In 2008, the Maui County Council narrowly approved the Wailea 670 project, based on the developer's promise to build 700 affordable housing units. In 2022 the developer convinced the Maui Planning Commission that the existing law would allow them to build just 288 affordable units, and that the part of the law requiring 450 affordable homes could be ignored. Maui Tomorrow and our ally Ho'oponopono O Mākena challenged that decision, and are awaiting a ruling by the Intermediate Court of Appeals (ICA).

Contradicting its previous statements to the planning commission, in 2024 the developer began trying to undermine our ICA appeal by asking the Maui County Council to delete the language that calls for 450 affordable units. Given the average price of homes in Wailea, the developer stands to profit by about \$1 million for every affordable home they can replace with a luxury unit. This blatant profiteering comes at the expense of Maui's people, while we're still trying to recover from the 2023 fires.

Unfortunately, the County Council majority did everything possible to expedite the reduction of affordable units. They eliminated two opportunities for public input, and cut down the time allowed for public testimony.



A typical market priced Wailea home. The median price in Wailea today is over \$4 million, far above what most working families can afford.

Fortunately, Maui Tomorrow was able to point out to the Council Chair that the Maui Planning Commission had skipped a required public hearing in South Maui before sending their recommendation to the Council. As a result, that public hearing was scheduled, and the people most affected by this bad faith developer's attempt to reduce its affordable housing commitment were given a chance to have their voices heard. Developers whose projects are already approved should live up to their promises. If the County Council allows Wailea 670 to reduce its affordable housing commitments, we may see similar efforts from other developers. ▲

Implementing Our Settlement at Mākena

In 2016, Makena Resort proposed to build 158 luxury homes on 47 acres above Mākena Landing – a small portion of the 1,754 acres of land that they control, extending up to Ulupalakua. These 47 acres were known to contain many cultural sites that were not acknowledged in the project's environmental assessment, and would have been destroyed; ongoing archaeology continues to reveal more. Maui Tomorrow and our allies sued, and the developer asked us to negotiate. The settlement that we reached reduced the number of luxury units, and provided for 60 units of on-site housing that would remain affordable in perpetuity. The settlement also increased preservation of cultural sites, and required the developer to retain much more stormwater runoff onsite. This will help to recharge the aquifer and improve offshore water quality. They also agreed to prepare an environmental impact statement for the master plan for their "future lands," which is now underway. These gains are a direct result of your support for our efforts, and your ongoing support enables us to continue to implement this settlement.



Maui Tomorrow staff and volunteers listen as Ashford Delima shares his knowledge of a cultural site within the area preserved by our settlement. Mr. Delima grew up in Mākena.

Community Plan Update

Maui Tomorrow continues to insist that development projects prioritize sustainability and comply with the law. However, we are repeatedly faced with projects driven by developer interests rather than community priorities. This limited vision is also reflected in ongoing efforts by government agencies to "streamline" the permitting process, often at the expense of community input and environmental protections. One such example is the attempt to weaken the South Maui Community Plan. This updated plan is intended to replace the existing Kihei-Makena Community Plan, which includes strong, enforceable language. For instance, the current plan requires that infrastructure, such as roadways, be built prior to or alongside new developments. That basic planning principle will be removed if the Maui Planning Commission's recommendations are approved by the County Council.

The Population and Employment Forecast prepared to guide the update of the South Maui Community Plan estimated a need for 700 to 1,800 additional housing units. That demand could easily have been met by projects that were already entitled, such as Wailea 670 and the Kihei Research and Technology Park. The County's original Infrastructure and Public Facilities Assessment assumed that only 800 units would be needed. Yet, the current draft plan would allow nearly 8,000 units from major projects alone - not including smaller projects, infill development, or potential 'ohana units. This much growth is a recipe for gridlock in an area already suffering from congestion, with South Kihei Road facing increasing threats from flooding and sea level rise.

Despite the clearly expressed wishes of the South Maui Community Plan Advisory Committee (CPAC), the Department of Planning declined to update the infrastructure analysis to account for this additional growth.

Community plans have the power under state law to regulate decision-making on issues such as land use, water resources, transportation, and affordable housing. To be effective, these plans must include specific, enforceable language. Unfortunately, the Maui Planning Commission (MPC) has largely dismantled the CPAC's efforts to ensure that the updated plan includes such protections.

For example, while the CPAC supported an additional 600 acres of growth in North Kihei Mauka, they also recommended policies to minimize the impacts of that development. Many of those policies have since been removed by the MPC. Notably, the CPAC's requirement that a mauka bypass road be developed prior to or concurrently with the development of parcels mauka of Pi'ilani Highway was eliminated.

The MPC also recommended changing the land use designation of the Piilani Promenade site (commonly known

as the "Mega Mall") from Residential to Small Town Center, effectively reopening the door to large-scale retail development, far from the center of Kihei, that South Maui residents have long opposed.

It will take a strong, organized effort by the Maui community to restore the CPAC's version of the plan. For information on how to get involved, please visit our website or that of the Kihei Community Association at www.gokihei.org.

Maui Tomorrow remains committed to ensuring that community plans are enforceable, reflect sound planning principles, protect the environment, and uphold the will of the people.



South Kihei Road is often rendered unusable by flooding. Given Maui County's outdated drainage standards, development of nearly 600 acres in North Kihei Mauka will likely make the problem worse.

Regenerative Agriculture

Maui Tomorrow continues to showcase real regenerative farmers in order to help spread the word about alternatives to chemical agriculture. Regenerative agricultural practices help to restore and maintain natural systems, reduce or eliminate the need to import fertilizers and pesticides, and produce food in a manner that is healthier for people and the long-term health of the planet. By building soil and increasing water retention, regenerative agriculture can also reduce vulnerability to wildfires. All of these benefits will increase the resilience of our island home while helping to preserve Maui's environment, open space, and rural lifestyle.

Our latest regenerative agriculture videos feature Hawai'i Taro Farm, Napili Flow Farm, and Ohialani Farms. We will continue to showcase additional regenerative farmers and their methods. You can find these videos here: tinyurl.com/RegenAgVideos

Re-gen-er-ate [rē'jenə,rāt] (verb)

To restore something to its original strength or properties.

Re·gen·er·a·tive [rē'jenərədiv] (adjective)

Relating to the *improvement* or *restoration* of a *place* or *system* to its original strength or properties; selfhealing; getting better over time.

Re·sil·ience [rəˈzilēəns] (noun)

The ability to recover from or adjust easily to misfortune or change.



During recording of one of Maui Tomorrow's regenerative agriculture education videos, Bobby Pahia of Hawai'i Taro Farm explains his kalo farming methods to Jamie Kranberg.

Making a Difference – With Your Help!

Maui Tomorrow has been protecting the 'āina and our quality of life for over 35 years. We have a dedicated Board and many supporters who do not shy from taking on tough issues. We are a voice for positive change. This important work is made possible by your generous support. When our community works together, great things can happen.

We invite you to join us!

Mahalo nui loa,

Albert Perez



Albert Perez, Executive Director

To learn more about Maui Tomorrow, to get involved, or to donate to our efforts, please visit us at **Mauitomorrow.org**. Every contribution is sincerely appreciated and will be used wisely to further our mission.

Maui Tomorrow Foundation is a 501(c)(3) charitable organization, and your contributions are tax-deductible as allowed by law. To learn more about tax-wise options for current or planned giving, please contact us.

Where Would We Be Without Maui Tomorrow?



Partnering with Maui's communities to protect the 'āina since 1989.

Go to mauitomorrow.org to learn more



Protecting Maui's Future

Maui Tomorrow Foundation, Inc. P.O. Box 880390 Pukalani, HI 96788

> (808) 244-7570 info@mauitomorrow.org www.mauitomorrow.org

To help Maui Tomorrow with a gift, please go to MauiTomorrow.org/donate

Please note: We continue to receive reports of the post office returning mail that is sent to our Wailuku street address. When contacting us or sending in a donation, please use the above post office box instead.

Maui Tomorrow Foundation is a tax-exempt 501(c)(3) organization.