

6 | LAND USE AND HOUSING

Land use refers to the way in which we use and manage land, whether for agriculture, environmental preservation, recreation, business, or housing. Land use policies and practices help to ensure an adequate and affordable supply of housing by designating where housing can be built in relation to other uses. [Progressive Land](#) use and housing policies strive to ensure sustainable communities with a variety of housing opportunities proximate to jobs, services, parks, infrastructure, and transportation. ~~This chapter~~ [The Community Plan](#) sets the framework to create livable communities for Moloka`i's people while protecting agricultural lands, environmental resources, and the rural character of the island.

6.1 Land Use

Moloka`i is a rural island based on an agricultural economy. The island has three distinct geographic regions with small towns and dispersed rural settlement. The island has very limited commercial and tourism development. Moloka`i's settlement patterns have been greatly influenced by the establishment of plantation agriculture and ranching, the development of irrigation systems, and the 1921 Hawaiian Homes Commission Act. The visitor industry began on Moloka`i in the late 1960s with the opening of the Hotel Moloka`i and Pau Hana Inn in Kaunakakai, and on the west end with the Kaluako`i Hotel opening in 1977. The Pāpōhaku Ranchlands Subdivision, established in 1981 on the West End, signified the beginning of resort real estate development on Moloka`i.

A. EXISTING CONDITIONS

Moloka`i's current land use patterns are characterized by small towns surrounded by vast agricultural lands, rural homestead settlements, resort development at Kaluako`i, and scattered rural development along the island's southeast coast. Kaunakakai is the island's population and commercial center and the smaller towns of Kualapu`u, Maunaloa, and Ualapu`e are important service centers for those communities.

Table 6. 1: Population of Moloka`i's Small Towns

| Town | 2010 Population |
|------------|-----------------|
| Kaunakakai | 3,425 |
| Kualapu`u | 2,207 |
| Maunaloa | 376 |
| Ualapu`e | 425 |

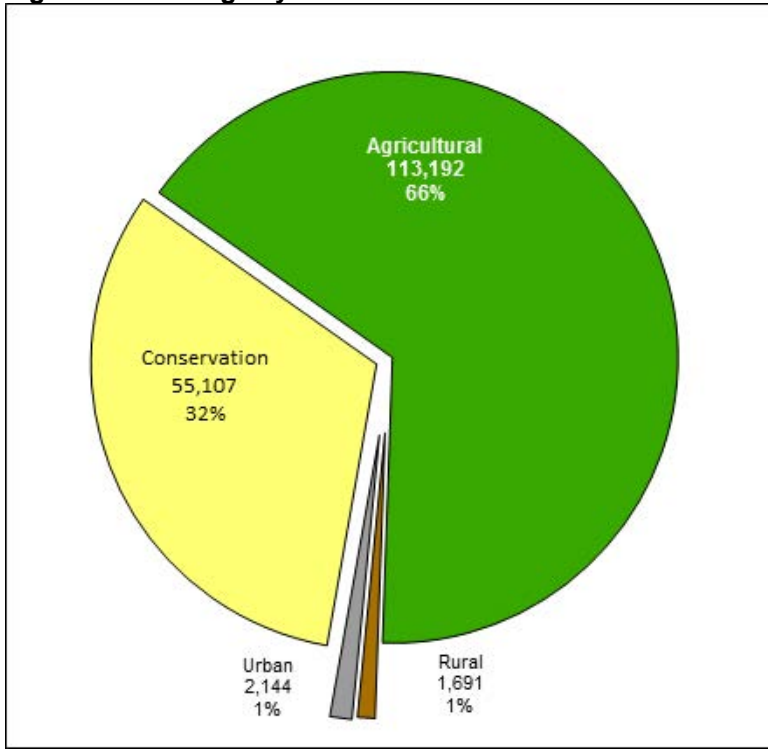
Source: U.S. Census Bureau, 2010 Census

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1 The vast majority of Moloka`i's lands are within the State's Agricultural and Conservation
2 Districts, with only a small percentage designated as Rural and Urban (see Figure 6.1).

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4 **Figure 6. 1 Acreage by State Land Use District**



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8 Almost all of the land on Moloka`i designated Urban by the State Land Use Commission
9 (SLUC) is County zoned Interim. The exceptions are those properties for which a zoning
10 change has been granted. Interim zoning has significant consequences for landowners and
11 businesses: 1)

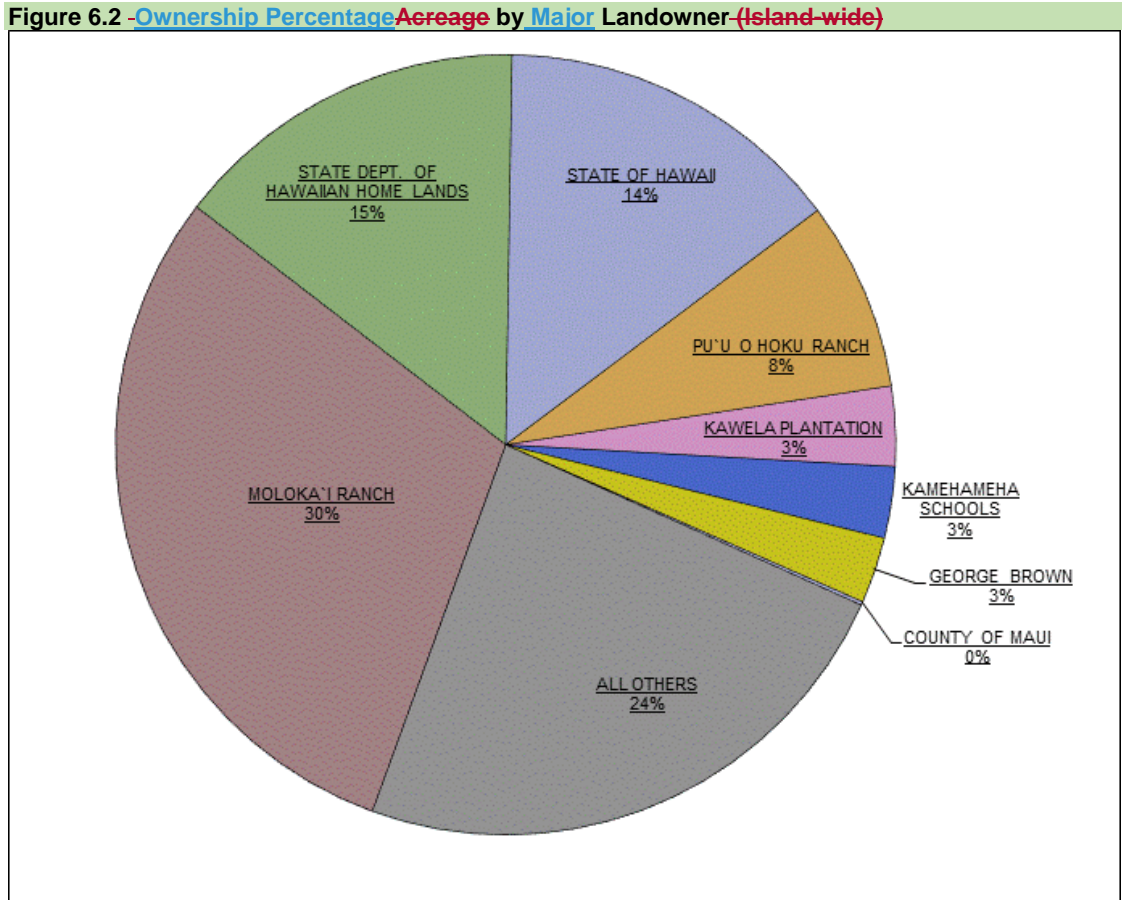
- 12 • Interim zoning adds considerable time and expense to the land use permitting process.;
- 13 2)
- 14 • Interim zoned property cannot be subdivided nor can conditional permits be granted.;
- 15 3)
- 16 • eCommercial use of Interim zoned property is considered non-conforming since
17 commercial is not permitted in the Interim District.
- 18 • ; and 4) Interim zoning allows densities and uses that are potentially undesirable in
19 some areas.

19

20 A majority of Moloka`i land is held by a few landowners and ownership patterns vary among the
21 island's three regions (see Figure 6.2). West Moloka`i is almost entirely owned by Molokai Ranch.
22 Central Moloka`i has large areas owned by the Department of Hawaiian Homelands (DHHL) and
23 by Molokai Ranch, as well as smaller landowners. East Moloka`i is largely held by small
24 landowners some of which are kuleana grants, except in the Halawa area, where Pu`u o Hoku
25 Ranch has extensive property.

26

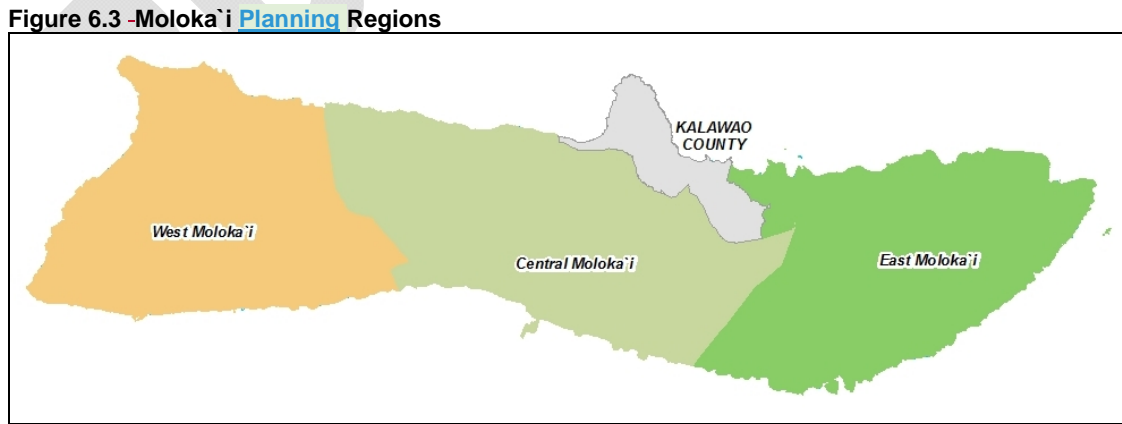
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Moloka'i's elongated shape embraces widely varying topographic and climatic regimes, which create For planning purposes, the island is divided into three distinct regions – East Moloka'i, West Moloka'i and Central Moloka'i (see Figure 6.3)¹.

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¹ Region boundaries follow Tax Map Key (TMK) lines.

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1 East Moloka`i

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3 East Moloka`i is the island's most remote and sparsely populated region. [This region is also](#)
4 [known as the East End, or Mana'e which is defined as "to the east – a direction."](#)² East
5 Moloka`i rises to the summit of Kamakou at 4,970 feet. This mountainous region has been
6 sculpted by heavy windward rainfall creating the deep verdant valleys of Pelekunu, Wailau,
7 and Hālawa. The primary land uses are conservation and cattle ranching, with small rural
8 settlements along the southeast coast at `Ualapu`e, Pūko`o, Pauwalu, Waialua, and Hālawa.
9 The southeast shore is also known for its historic fishponds, some of which are currently being
10 restored.

11 12 Central Moloka`i

13
14 Central Moloka`i is a varied landscape of high verdant forested plateaus, rugged and gentle
15 coastlines, and a dry central plain that when irrigated provides some of the most fertile
16 agricultural lands in Hawai`i. ~~Central Moloka`i includes~~ Kaunakakai [is the principal](#)
17 [commercial, civic and population center of the island with](#), ~~the population (47% of total island~~
18 ~~population), commercial, and civic center of the island.~~ Other [Central Moloka`i](#) population
19 centers include the former plantation town of Kualapu`u and the Hawaiian homesteads at
20 Ho`olehua. The island's primary industrial ~~acreage site~~ is in the Moloka`i Industrial Park at
21 Pala`au and near the shore in Kaunakakai.

22
23 Central Moloka`i is also the island's "bread basket". Agricultural resources include
24 approximately 11,500 acres of Prime [Agricultural Land](#)³ ~~ALISH designated agricultural lands~~,
25 the Moloka`i Irrigation System, and the island's only State owned agricultural park, comprising
26 753 acres (see Map 6.1). Moloka`i's agricultural lands support the island's existing agricultural
27 economy, provide the opportunity for subsistence agriculture, provide future opportunities for
28 agricultural enterprises, and significantly contribute to the island's vast open space and rural
29 character. While Moloka`i's agricultural lands are not under the level of pressure from
30 encroaching urbanization like other areas in the state, implementing tools to protect these
31 lands is a proactive step to ensure these resources are available for future generations.

32 33 West Moloka`i

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35 West Moloka`i is on the hot and dry leeward side of the island. Its highest elevation is at Pu`u
36 Nana, elevation 1,381 feet. Cattle ranching is the dominant land use in the region. Kaluako`i
37 Hotel closed in 2001, followed by the opening of the Lodge at Molokai Ranch and the Molokai
38 Beach Village Tent Cabins at Kaupoa Beach in 2002. However, despite efforts to make
39 Molokai Ranch profitable, all of its West Moloka`i operations were shut down in 2008 ~~and aAs~~
40 a result economic activity and the visitor population in West Moloka`i have declined. Some

² Pukui, Hawaiian Dictionary, 1971, University of Hawaii Press

³ See "Agricultural Lands of Importance to the State of Hawaii Revised," State Department of Agriculture, November, 1977

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1 condos and single-family homes remain in the Kaluako`i- Pāpōhaku area, and limited services
2 remain in Maunaloa for the town's small population. ~~Currently As of 2015.~~ Molokai Ranch is
3 pursuing enterprises in animal husbandry, farming, renewable energy, and hospitality.
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7 **B. FUTURE CONDITIONS – PLANNED GROWTH**

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9 (To be developed during land use workshops with CPAC)

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11 (see Appendices 6.1 and 6.2)
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Land Use Planning Principles and Standards

1. **Protect ecological diversity, natural resources, culturally sensitive lands, and agricultural lands and avoid hazard-prone lands when identifying defining future growth areas.** Moloka`i's ecology, natural, and cultural resources, and agricultural lands are important for both current and future generations.
2. **Protect open space and scenic landscapes.** Open space should be preserved to retain Moloka`i's rural character, and to separate and define distinct edges of communities. Scenic landscapes, viewsheds, and view corridors are integral to place identity and should be retained.
3. **Strengthen existing communities through infill and redevelopment.** Support revitalization of existing communities and infill development on underutilized infill lots, where appropriate outside of hazard-prone areas.
4. **Promote equitable and livable mixed-use communities.** Moloka`i's small towns should provide a mix of housing types and affordability, compact and pedestrian-oriented development, access to parks and open space, and a mix of compatible and complementary land uses. Future growth areas will be contiguous or proximate to existing employment and/or housing, and located where infrastructure and public facilities can be provided in a cost-effective manner.

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C. ISSUES

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4 Issue 1: There is no comprehensive zoning map for Moloka`i and the existing zoning code
5 and Interim zoned lands present significant obstacles [due to inconsistencies with](#)
6 [the community plan](#).
7
8 Issue 2: The Special Management Area (SMA) boundary does not protect some areas of
9 the near-shore environment and coastal resources [and extends inland in areas](#)
10 [that are not likely to have coastal impacts](#).
11

D: GOAL, POLICIES, AND ACTIONS

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17 **GOAL: Moloka`i's land use pattern will protect agricultural lands, open space, and**
18 **natural systems and support livable small towns and rural communities.**

Policies

- 19
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21
22 1. Ensure all lands are zoned for specific land uses and zoning standards are
23 consistent with Community Plan policies.
24
25 ~~2. Retain Kaunakakai as the population, civic, and commercial center of the island.~~
26
27 ~~3.~~ [2. Encourage but do not limit](#) resort development to the West End.
28
29 ~~4.~~ [3.](#) Support the revitalization of Maunaloa Town and Kaluako`i resort area.
30
31 ~~5.~~ [4.](#) Direct growth to vacant and underutilized infill lots and proposed expansion areas
32 as shown on the Moloka`i Community Plan Land Use map (see Map 6.__).
33
34 ~~6.~~ [5.](#) Limit urban zoning to areas designated for urban use on the Moloka`i Community
35 Plan Land Use map (see Map 6.__).
36
37 ~~7.~~ [6.](#) Where possible, site community facilities such as schools, parks, libraries, and
38 community centers within walking and biking distance of residential [areas](#).
39
40 ~~8.~~ [7.](#) Facilitate the provision of infrastructure and public facilities and services prior to,
41 or concurrently with, development, including provision for on-going maintenance
42 through district funding or other funding mechanisms.
43

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| Table 6. 2 Land Use | | | |
|---------------------|---|---------------------|----------|
| No. | Action | Lead County Agency | Partners |
| 6.1.02 | Amend the zoning code to facilitate the development of mixed-use, pedestrian-oriented communities. | Planning Department | |
| 6.1.02 ³ | Implement County responsibilities under Acts 183 (2005) and 233 (2008) to designate and establish Important Agricultural Lands (IAL) and the incentives therein. | Planning Department | |
| 6.1.03 ⁴ | Review the SMA boundary and make changes as necessary to comply with the objectives and policies defined in HRS § 205A-2 <u>and incorporate best available information on Climate Change and SLR.</u> | Planning Department | |
| 6.1.04 | <u>Research and review poor or highly sloped agricultural lands for conversion to different designations.</u> | Planning Department | |

6.2 Housing

Housing affordability is a significant issue throughout the County of Maui, and Molokaʻi is no exception. Shortages of reasonably priced housing can contribute to high rates of crowding, lower ownership rates, and impact the overall quality of life within a community. Additionally, investment or second home purchases may increase housing prices if the properties are used as tourism rentals rather than owner-occupied or long-term rental homes.

Housing affordability can improve when residences are built near employment, services, and existing infrastructure and outside of flood hazard areas. Mixed-use zoning allows residents to live near their workplace and services ~~and reducing~~ transportation costs. The ability of residents to purchase or rent can also improve when there is an accessory ʻohana unit to provide rental income or to house family members. Housing development plans must address factors affecting affordability, community character, and special needs populations such as disabled residents and the frail elderly.

It is also important for new development to provide a variety of lot sizes, housing types, tenures and price points that accommodate the a range ~~full spectrum~~ of household types/compositions, life stages (i.e. single, married, with children, multigenerational, etc.) and income levels. Ensuring housing variety on Molokaʻi will increase residents' ability to remain on island when family or economic circumstances change.

A. EXISTING CONDITIONS

The majority of the housing units on Molokaʻi were built before 2010. Of these, more than half were built in the 1970s or earlier. Only 10% of 355 units were built on Molokaʻi between 2000 and 2010. Central Molokaʻi home construction peaked in the 1970s, while West Molokaʻi construction peaked in the 1980s.⁴

Molokaʻi's housing stock is predominantly single family units, which limits housing options and can present challenges when residents experience family or economic changes. The ~~E~~existing housing stock includes 2,623 single family units and 879 multifamily units, for a total of 3,502 units.⁵ The 2010 vacancy rate was 28%, slightly higher than on Maui Island (23%) and Lānaʻi (25%). Molokaʻi's household size is 2.92 persons per dwelling unit.⁶

Affordable Housing affordability is defined by the U.S. Department of Housing and Urban Development (HUD) as housing for which the occupants are paying no more than 30% of their income for gross housing costs, including utilities ~~a household that pays less than 30 percent of its annual income on housing~~. By this standard, less than half of Molokaʻi renters and home owners pay unaffordable rents or monthly ownership costs, indicating that housing is more affordable on Molokaʻi compared to the rest of Maui County.

⁴ County of Maui, Department of Planning. (October 2013). *Land Use Forecast Island of Molokaʻi*.

⁵ Ibid.

⁶ U.S. Census Bureau, 2010.

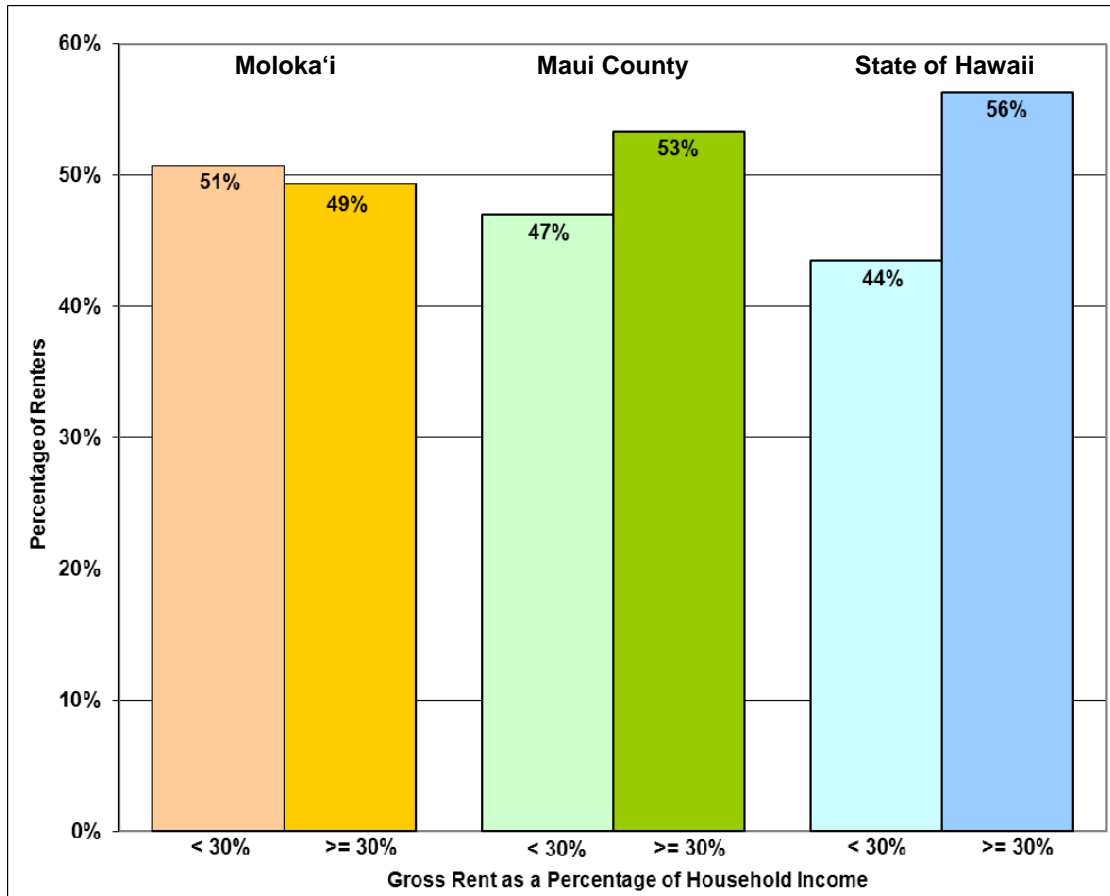
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2 Figure 6.4 shows that from 2007 to 2011, 49 percent of Moloka'i renters paid more than 30
3 percent of their household income for housing costs versus 53 percent of Maui County
4 renters and 56 percent of renters statewide.⁷

5

6 **Figure 6.4 Gross Rent as a Percentage of Household Income**



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8 Figure 6.5 shows that from 2007 to 2011, 39 percent Moloka'i home owners with mortgages
9 paid more than 30 percent of their household income for housing ownership costs versus 54
10 percent of Maui County home owners and 48 percent of owners statewide.⁸

11

12 There are several factors inhibiting the development of a long-term supply of affordable
13 housing on the island including the weak economic base, high construction costs, few vacant
14 lots with infrastructure in place, and lack of available financing.

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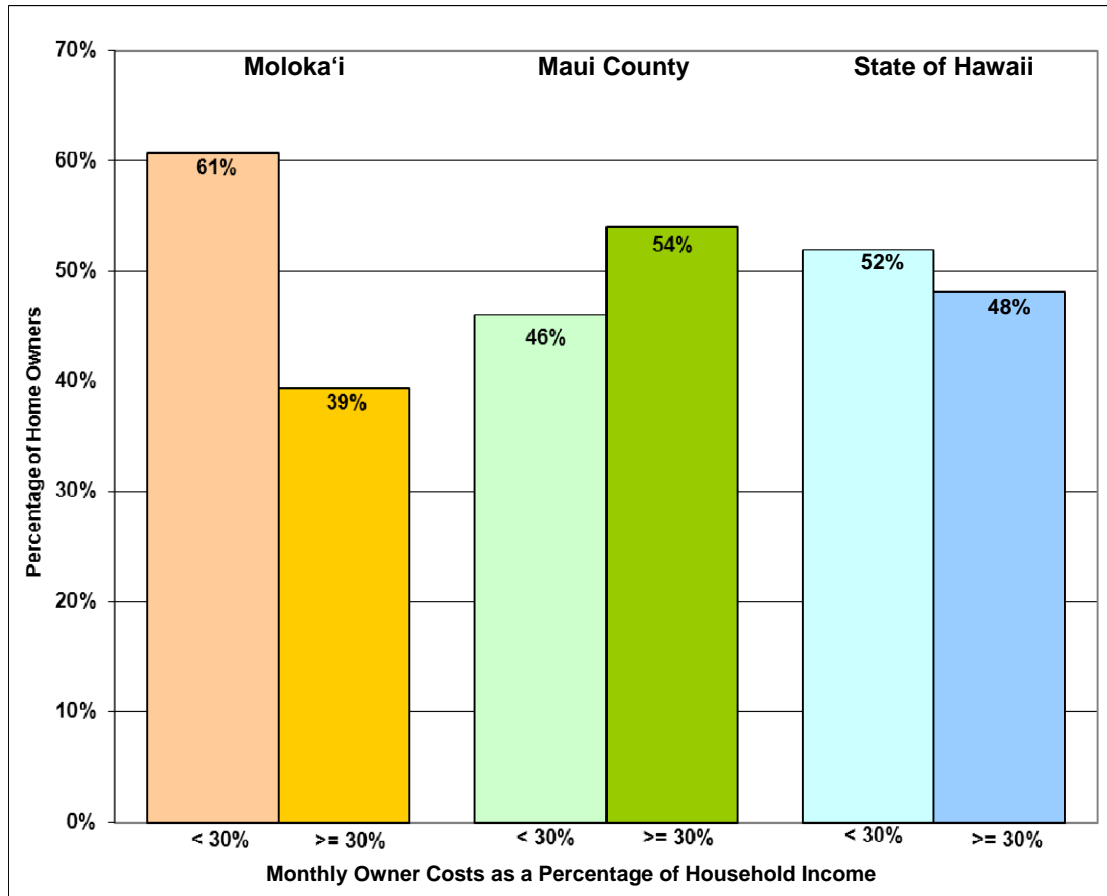
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⁷ U.S. Census Bureau, 2009-2013 American Community Survey 5-Year Estimates.

⁸ Id.

Figure 6. 5 Monthly Owner Costs as a Percentage of Household Income



Currently three agencies are working to make more affordable housing available on Moloka'i: 4a) the Department of Hawaiian Home Lands (DHHL); 2b) the Moloka'i Affordable Homes and Community Development Corporation; and 3c) Moloka'i Habitat for Humanity. -DHHL's planned total housing unit build out to 2025 for new lots is as follows: 422 new residential homestead lots and 350 new agricultural lots, located in Na'iwa, 'Ualapu'e, Kamiloloa, Kapa'akea, Makakupa'ia, Kalamaula, and Ho'olehua.⁹ Additionally, the County of Maui's Workforce Housing Ordinance requires developers proposing new development to provide a certain percentage of affordable housing.

Moloka'i has an aging population that requires special-supportive services and senior housing options, and this need is projected to increase in the future. Moloka'i has one senior housing facility with approximately 85 units for low and moderate-income seniors; however there is no long-term residential care facility on the island. Moloka'i General Hospital can provide skilled nursing care and intermediate care, but it is neither equipped nor staffed to be a long-term residential care facility.

⁹ Group 70 International. (June 2005). *Department of Hawaiian Homelands Moloka'i Island Plan*.

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1 B. ISSUES

2
3
4 Issue 1: There is a lack of need for more affordable housing and affordable residential
5 building sites.

6
7 Issue 2: There is a lack of housing choices at different price levels and housing sizes.

8
9 Issue 3: There is an increasing need for housing and services for special needs
10 populations.

11 12 13 C: GOAL, POLICIES, AND ACTIONS

14
15
16 **GOAL:** A diverse supply of housing for Moloka`i residents that is affordable, safe,
17 and environmentally and culturally compatible.

18 19 20 **Policies**

- 21
22 1. Support regulations to maintain an adequate supply of affordable housing.
- 23
24 2. Require that County mandated affordable housing have a buy-back provision
25 so these units will remain in not be taken out of the affordable housing stock.
- 26
27 3. Maintain a supply of County subsidized affordable rental housing.
- 28
29 4. Encourage development of a mix-range of lot sizes and housing types (such
30 as single family, ohana units, duplexes, multifamily, and live-work units); to
31 expand housing choices and price points.
- 32
33 5. ~~Require, where practical, that~~ Encourage new housing to be developed in
34 locations conducive to affordability, for example, ~~—~~proximate to jobs,
35 services, infrastructure, and public facilities, and outside of flood hazard
36 areas.
- 37
38 6. Support the establishment of long-term residential care facilities and a
39 diversity of appropriate housing opportunities for residents with special
40 needs.
- 41
42 7. Encourage the establishment of a community land trust to improve access to
43 affordable land and housing.
- 44
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1 **Actions**

| Table 6.3 Housing Actions | | | |
|----------------------------------|---|-----------------------------------|--|
| No. | Action | Lead County Agency | Partners |
| 6.2.01 | Develop and implement a comprehensive affordable housing plan for Moloka'i. | Housing and Human Concerns (DHHC) | Moloka'i Affordable Homes and Community Development Corporation, Moloka'i Habitat for Humanity |
| 6.2.02 | Implement a housing rehabilitation program including loans, grants, and/or technical assistance and community outreach. | DHHC | |
| 6.2.03 | Amend the zoning code to allow a greater variety of housing types <u>to address affordability</u> , including mixed-use, mixed housing types, co-housing, prefabricated homes, and small lots. | Planning Dept. | |
| 6.2.04 | Provide assistance with securing / leveraging grants, Low Income Housing Tax Credits, and other resources that support affordable housing price points . | DHHC | |
| 6.2.05 | Form partnerships and develop a plan for establishing long term care infrastructure on Moloka'i — including long term and short term supportive housing, palliative care and hospice facilities. (Note: Action moved to Health and Human Services on Page 9-16.) | DHHC | State Dept. of Health Non-profits |
| 6.2.06 | Investigate whether Nāa Hale ʻO Maui, a community land trust on Maui, would consider operating on Moloka'i. | DHHC | Planning Dept. Nāa Hale ʻO Maui |

2