

SUPREME COURT OF THE STATE OF HAWAI‘I

The Sierra Club v. D.R. Horton-Schuler Homes, LLC

136 Haw. 505 (2015) · No. SCAP-13-0002266 · Decided December 22, 2015

SUMMARY

The Hawai‘i Supreme Court reviewed the Land Use Commission’s reclassification of approximately 1,525.516 acres from the agricultural district to the urban district for the Ho‘opili development. The court held that Article XI, section 3 of the Hawai‘i Constitution and the important agricultural lands provisions of Hawai‘i Revised Statutes chapter 205 did not require the Commission to delay reclassification pending a county-initiated designation process. The court also concluded that reliable, probative, and substantial evidence supported findings that the reclassification conformed to the Hawai‘i State Plan, would not substantially impair agricultural production, and was reasonably necessary for urban growth, and it affirmed the circuit court.

CASE DETAILS

COURT	Supreme Court of the State of Hawai‘i
WRITING FOR THE COURT	Paula A. McKenna; Mark E. Recktenwald, C.J.; Paula A. McKenna, J.; Richard W. Pollack, J.; Mark J. Bennett? No; Mari D. Nakayama, J.; Gary W. B. Chang, Circuit Judge, sitting in place of Acoba, J., recused
JURISDICTION	Hawaii
DECIDED	December 22, 2015
DOCKET	SCAP-13-0002266
DISPOSITION	affirmed
PROCEDURAL POSTURE	Petitioners appealed from the Circuit Court of the First Circuit's decision affirming the Land Use Commission's reclassification of approximately 1,525.516 acres from the agricultural district to the urban district and dismissing the administrative appeal. The Supreme Court accepted transfer from the Intermediate Court of Appeals.
STANDARD OF REVIEW	On secondary appeal from a circuit court's review of an agency decision, the Supreme Court determines whether the circuit court was right or wrong while applying Hawai‘i Revised Statutes § 91-14(g) to the agency decision. Agency conclusions of law are reviewed de novo, factual findings are reviewed for clear error, and agency decisions within the agency's sphere of expertise receive a presumption of validity.

PRECEDENTIAL VALUE	published precedential opinion
PARTIES	The Sierra Club, Senator Clayton Hee v. D.R. Horton-Schuler Homes, LLC, Land Use Commission of the State of Hawai‘i, Office of Planning, State of Hawai‘i, Department of Planning and Permitting

TOPICS

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QUESTIONS PRESENTED

1. Whether Article XI, section 3 of the Hawai‘i Constitution required the Land Use Commission to stay reclassification proceedings until the county important-agricultural-lands designation process was complete.
2. Whether Act 183, codified in Part III of Hawai‘i Revised Statutes chapter 205, required the Land Use Commission to stay reclassification proceedings pending formal designation of important agricultural lands.
3. Whether the Land Use Commission's reclassification violated Hawai‘i Administrative Rules § 15-15-77 by failing to establish that the reclassification was consistent with the Hawai‘i State Plan, would not substantially impair agricultural production, or was reasonably necessary for urban growth.
4. Whether the Land Use Commission failed to comply with Hawai‘i Revised Statutes § 205-4(h) by omitting an express conclusion that the reclassification did not violate Part III of chapter 205.

HOLDINGS

1. Article XI, section 3 of the Hawai‘i Constitution is not self-executing and does not require the Land Use Commission to stay agricultural-land reclassification proceedings while the county important-agricultural-lands designation process is pending.
2. Act 183 and Part III of Hawai‘i Revised Statutes chapter 205 do not prohibit the Land Use Commission from reclassifying land before the county important-agricultural-lands designation process is complete.
3. The reclassification satisfied HAR § 15-15-77(b)(6) because the regulation is disjunctive and the unchallenged finding that the reclassification was reasonably necessary for urban growth independently supported the decision; substantial evidence also supported the finding that the reclassification would not substantially impair agricultural production.
4. The Land Use Commission erred by failing to expressly conclude under HRS § 205-4(h) that the reclassification did not violate Part III of chapter 205, but the error was harmless because the

Commission's findings established that the property was not and would not be designated as important agricultural land.

KEY QUOTATIONS

“The plain language of Article XI, Section 3 does not require the LUC to stay reclassification proceedings until the IAL mapping process is complete.” (27)

“The LUC in this case properly reclassified D.R. Horton-Schuler’s property from the agricultural land use district to the urban land use district.” (47)

FACTUAL BACKGROUND

D.R. Horton-Schuler sought to reclassify approximately 1,525.516 acres in ‘Ewa, O‘ahu, from the agricultural state land-use district to the urban district for the Ho‘opili mixed-use development. The Land Use Commission conducted extensive evidentiary hearings concerning agricultural productivity, replacement farmland, urban-growth needs, conformity with the Hawai‘i State Plan, and the possible designation of the property as important agricultural lands. The Commission found that the reclassification was reasonably necessary for urban growth, would not substantially impair agricultural production, and was consistent with applicable state and county plans. The property was within the ‘Ewa Development Plan's Urban Growth Boundary and was not formally designated, and was not expected to be designated, as important agricultural land.

PROCEDURAL HISTORY

D.R. Horton-Schuler petitioned the Land Use Commission to amend the state land-use district boundary for the Ho‘opili project. After extensive evidentiary hearings, the Commission approved the reclassification subject to conditions. The Circuit Court of the First Circuit affirmed the Commission's findings, conclusions, and decision and order and dismissed the appeal. The Supreme Court affirmed after accepting transfer from the Intermediate Court of Appeals.

DISPOSITION

affirmed

CASES CITED

- Save Sunset Beach Coalition v. City & County of Honolulu, 102 Hawai‘i 465, 78 P.3d 1 (2003)
- Malahoff v. Saito, 111 Hawai‘i 168, 140 P.3d 401 (2006)
- Ka Pa‘akai O Ka ‘Aina v. Land Use Commission, 94 Hawai‘i 31, 7 P.3d 1068 (2000)
- Silva v. City & County of Honolulu, 115 Hawai‘i 1, 165 P.3d 247 (2007)
- Bremer v. Weeks, 104 Hawai‘i 43, 85 P.3d 150 (2004)
- Morgan v. Planning Department, 104 Hawai‘i 173, 86 P.3d 982 (2004)
- Department of Environmental Services v. Land Use Commission, 127 Hawai‘i 5, 275 P.3d 809 (2012)
- Camara v. Agsalud, 67 Haw. 212, 685 P.2d 794 (1984)
- In re Hawaii Electric Light Co., 60 Haw. 625, 594 P.2d 612 (1979)

- In re Water Use Permit Applications, 94 Hawai‘i 97, 9 P.3d 409 (2000)
- Application of Hawaiian Electric Co., Inc., 81 Hawai‘i 459, 918 P.2d 561 (1996)

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