





Hundreds of Ka'u residents and supporters showed up to oppose the proposed Punalu'u development during a Windward Planning Commission Meeting in Hilo on March 7, 2024.

Tribune-Herald staff



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A controversial proposal to build a resort development in Punalu'u appears to be dead.

A state circuit court has approved an order of foreclosure against developer Black Sand Beach LLC after the company defaulted on a \$3.4 million mortgage.

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According to a press release from the nonprofit Center for Biological Diversity, which opposed the project, the 147-acre property in Ka'u is now headed for public auction, pausing plans for a sprawling luxury development that faced sustained public opposition.

The developer's proposed Punalu'u Village project included 225 residential and vacation rental units, a commercial center and renovations to the 18-hole Sea Mountain Golf course — all located just inland from Punalu'u Bay.

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The area is home to endangered hawksbill and green sea turtles, anchialine ponds, limu beds, freshwater springs and numerous Native Hawaiian cultural sites. The land is in the coastal zone management area, where development is regulated to protect the coastal environment, public access and community interests.

The application for the project estimated its total cost would range between \$200 million and \$350 million.

"This foreclosure is a much-needed reprieve for Punalu'u and the people of Ka'u," Maxx Phillips, Hawaii and Pacific Islands director and staff attorney at the Center for Biological Diversity, said in the press release. "This place is sacred. It holds deep cultural meaning, irreplaceable ecosystems and fragile species found nowhere else on Earth. It was never appropriate for large-scale development.

"The people of Ka'u have spoken loudly and clearly — they want this place protected, not paved. We're proud to stand with the community to help make that vision a reality."

The Windward Planning Commission first heard the developer's Special Management Area permit application in March 2024, triggering strong community testimony in opposition.

In May 2024, after additional rounds of public outcry, the planning commission granted standing to the Center for Biological Diversity, represented by its in-house counsel and Native Hawaiian Legal Corporation, and 'Iewe HAnau O Ka 'Aina to intervene in a contested case hearing.

The legal standard for approving a Special Management Area use permit for a major development of the proposed scale is whether the proposed development is "consistent with the objectives, policies, and guidelines" of the federal Coastal Zone Management Act.

Any permit for development in Hawaii also requires the state to analyze the impact on Native Hawaiian traditional and customary practices, which are protected under the Hawaii Constitution.

Community and cultural practice intervenors raised serious concerns about the developer's failure to adequately study the project's cultural and environmental impacts, plan for the protection of sensitive resources or address the deteriorating wastewater system's threat to coastal water quality.



The county never moved forward with the hearing, and in the meantime, the developer defaulted on its mortgage, effectively ending the permitting process.

“This is a victory rooted in the voices of community members and cultural practitioners who showed up, time and again, to speak for the land and waters of Punalu‘u,” said Ashley Obrey, staff attorney at the Native Hawaiian Legal Corporation. “While this foreclosure halts the current project, we remain vigilant. This land deserves a future shaped by community vision, grounded in malama ‘aina, and conforming to the environmental and cultural practice protections Hawaii law requires.”

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