



**OFFICE OF PLANNING
STATE OF HAWAII**

235 South Beretania Street, 6th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804

**LAND USE COMMISSION
STATE OF HAWAII**

2018 JAN 26 A 7:31

Telephone:

DAVID Y. IGE
GOVERNOR

LEO R. ASUNCION
DIRECTOR
OFFICE OF PLANNING

(808) 587-2846

(808) 587-2824

Web:

<http://planning.hawaii.gov/>

DTS201801250944BE

January 25, 2018

Hawaii Management Services, LLC
P.O. Box 1630
Koloa, HI 96756
Ms. Moana Palama

Dear Ms. Palama:

Subject: Kealia Mauka Homesites
Environmental Impact Statement Preparation Notice (EISPN)
TMK: (4) 4-7-004: por. 001
Kawaihau, Kauai, Hawaii

Thank you for the opportunity to review the subject Environmental Impact Statement Preparation Notice (EISPN) for Kealia Mauka Homesites. The Petitioner is proposing to develop 235 lots (between 5,500 square feet and 7,300 square feet) on 53.4 acres at Kealia, Kawaihau, Kauai. The buyers of the lots will be responsible for construction of the homes. The lot sizes are designated as affordable and will meet county workforce housing ordinances. The lots will be served with a mixture of public and private utilities, including water (potable and waste), electrical, telecommunications, drainage and roads.

The area is currently zoned as agricultural and in use for cattle grazing, hence a boundary change request has been submitted. A 36-lot subdivision (south) and Kuhio Highway (west) are adjacent to the proposed area, with agricultural lands forming the remaining borders north and west of the area.

The Office of Planning (OP) offers the following comments.

1. The majority of the Petition Area lies within the State Agricultural District. The proposal will require that the subject property be reclassified to the State Urban District through the Land Use Commission (LUC). OP represents the State as a mandatory party in proceedings before the LUC. In developing its position, OP evaluates whether the project meets the LUC decision-making criteria in Hawaii Revised Statutes (HRS) § 205-17, as well as its conformance with Coastal Zone Management objectives and policies in HRS § 205-A-2.

Attached for your consideration is a document entitled "Issues of Concern in District Boundary Amendment Proceedings Based on LUC Decision-Making Criteria." The

Draft Environmental Impact Statement (DEIS) should address these issues and criteria - particularly the areas of State concern in this document and best practices that could or will be incorporated in the proposed project to address State priority guidelines for sustainability. A short list of resources related to best practices can be found at the OP website at <http://planning.hawaii.gov/>

We also strongly recommend that petitioners consult with affected State agencies early in the project formulation process; and that they continue to do so in the preparation of any environmental compliance documents required under HRS Chapter 343, so that potential impacts to resources, facilities, and services managed or provided by the State and appropriate mitigation measures are identified in petitions and their environmental compliance documents.

2. We understand the DEIS will include a more thorough analysis of the impact of the proposed project on area schools. This discussion should include the following:
 - a. Projected population increase for the Kawaihau region
 - b. Whether the Petitioner will be required to establish an Education Contribution Agreement with the State Department of Education
3. The EISPN indicates that the proposed project will proceed through 2026. In the DEIS, please provide a schedule of development for each phase of the total project and a map showing the location and timing of each phase of development. Regarding infrastructure (e.g. improvements), the Petitioner should discuss how improvements will be completed to ensure that mitigation coincides with the impact created by the proposed project.
4. OP provides technical assistance to state and county agencies in administering the statewide planning system in HRS Chapter 226, the Hawaii State Plan. The Hawaii State Plan provides goals, objectives, priorities, and priority guidelines for growth, development, and the allocation of resources throughout the State. The Hawaii State Plan includes diverse policies and objectives of state interest including but not limited to the economy, agriculture, the visitor industry, federal expenditure, the physical environment, facility systems, socio-cultural advancement, climate change adaptation, and sustainability.

We acknowledge that the EISPN document has identified the need to address the Hawaii State Plan. The Draft EIS should include an analysis that addresses whether the proposed project conforms or is in conflict with the objectives, policies, and priority guidelines listed in the Hawaii State Plan.

5. The coastal zone management area is defined as "all lands of the State and the area extending seaward from the shoreline to the limit of the State's police power and

management authority, including the U.S. territorial sea" see HRS § 205A-1 (definition of "coastal zone management area").

We acknowledge that the EISPN document has identified the need to address the enforceable policies of the Hawaii Coastal Zone Management Program. HRS Chapter 205A requires all State and county agencies to enforce the coastal zone management (CZM) objectives and policies. The Draft EIS should include an assessment as to how the proposed project conforms to the CZM objectives and its supporting policies set forth in HRS § 205A-2. The assessment on compliance with HRS Chapter 205A is an important component for satisfying the requirements of HRS Chapter 343. These objectives and policies include: recreational resources, historic resources, scenic and open space resources, coastal ecosystems, economic uses, coastal hazards, managing development, public participation, beach protection, and marine resources.

6. According to the EISPN, pg. 21, the Draft EIS will contain a Drainage Report that will analyze drainage patterns, in project area and regionally. Additionally, according to the review material, this project will need a National Pollutant Discharge Elimination System permit for construction activity to safeguard against erosion and sediment loss. In order to ensure the coastal waters of Kawaihau and the nearshore waters of Eastern Kauai remain protected, the negative effects of both natural processes such as stormwater runoff and a wide range of human activities should be considered and mitigated. The Draft EIS should summarize the area's relation to wetlands and perennial streams, the tsunami evacuation zone, and flood zone. These items, as well as the nearshore water quality, should be considered when developing mitigation measures to protect the coastal ecosystem.

OP has a number of resources available to assist in the development of projects which ensure sediment and stormwater control on land, thus protecting the nearshore environment. OP recommends consulting these guidance documents and stormwater evaluative tools when developing strategies to address polluted runoff. They offer useful techniques to keep soil and sediment in place and prevent contaminating nearshore waters, while considering the practices best suited for each project. These three evaluative tools that should be used during the design process include:

- Hawaii Watershed Guidance provides direction on site-appropriate methods to safeguard Hawaii's watersheds and implement watershed plans
http://files.hawaii.gov/dbedt/op/czm/initiative/nonpoint/hi_watershed_guidance_final.pdf
- Stormwater Impact Assessments can be used to identify and evaluate information on hydrology, stressors, sensitivity of aquatic and riparian resources, and management

Ms. Moana Palama
January 25, 2018
Page 4

measures to control runoff, as well as consider secondary and cumulative impacts to the area

http://files.hawaii.gov/dbedt/op/czm/initiative/stomwater_imapct/final_stormwater_impact_assessments_guidance.pdf

- Low Impact Development (LID), A Practitioners Guide covers a range of structural best management practices (BMP's) for stormwater control management, roadway development, and urban layout that minimizes negative environmental impacts
http://files.hawaii.gov/dbedt/op/czm/initiative/lid/lid_guide_2006.pdf

The responsiveness of the project and proposed petition to concerns identified in the environmental review process will influence OP's evaluation and development of the State's position on the proposed petition to ensure conformance with Chapter 205, HRS.

Thank you for the opportunity to review this project. If you have any questions please call either Josh Hekeia of our Coastal Zone Management Program at 587-2845 or Tomas J. Oberding of our Land Use Division at (808) 587-2883.

Sincerely,



LR Leo R. Asuncion
Director

Attachment

cc: Land Use Commission
HHF Planners
County of Kauai Planning Department
Matsubara, Kotake & Tabata

Issues of Concern in District Boundary Amendment Proceedings Based on LUC Decision-Making Criteria

The following issues are commonly discussed and analyzed for project proposals in petitions and their supporting environmental assessments (EAs) or environmental impact statements (EISs) prepared pursuant to Hawaii Revised Statutes (HRS) Chapter 343. This list reflects the range of issues the State Land Use Commission (LUC) must take into consideration in its decision-making under HRS Chapter 205, and Hawaii Administrative Rules (HAR) Chapter 15-15. This list is not exhaustive or complete.

1. **Water Resources.** Groundwater and surface water resource protection and water quality are critical State issues. A thorough evaluation of these resources includes identifying and discussing: (a) estimated water demand by types of land use; (b) proposed potable and non-potable water sources to be used for the project and measures to reduce water demand and promote water reuse in the project; (c) whether the proposed project is within a designated Water Management Area; (d) the impact of the project on the sustainable yield and water quality of affected aquifers and surface water sources; (e) permits or other approvals required for proposed water source use; and (f) the consistency of the project and impact of the project in terms of proposed water use and system improvements and priorities contained in the county water use and development plan, prepared pursuant to the State Water Code, HRS Chapter 174C.
2. **Agricultural Lands.** Article XI, Section 3, of the Hawaii State Constitution provides that “[t]he State shall conserve and protect agricultural lands, promote diversified agriculture, increase agricultural self-sufficiency, and assure the availability of agriculturally suitable lands.” Protecting agriculture is a policy objective in the Hawaii State Plan, HRS Chapter 226, and in the State Administration’s New Day Comprehensive Plan, which is available at <http://hawaii.gov/gov/about/a-new-day>. Agricultural activity in the vicinity of the proposed project should be identified, and the impact of urban use or conversion of project lands on existing and future agricultural use and the viability of agricultural use of adjoining agricultural lands needs to be examined. Please discuss how the proposed project meets policy objectives to promote and protect agriculture, particularly in cases where the lands have high agricultural value.
3. **Affordable Housing.** Increasing the supply of affordable housing is a critical State and county issue. Every county has an affordable housing policy and both the Hawaii State Plan, HRS Chapter 226, and the State Administration’s New Day Comprehensive Plan identify affordable housing as a policy priority. If applicable, please discuss specifically how the proposed project will meet State and county affordable housing policy objectives, to include a discussion of how the project’s proposed residential product types will be allocated among the market and various affordable housing target populations, and the expected price ranges for the different product types.
4. **Coastal Zone Management (CZM).** The Office of Planning is the lead agency for the Hawaii CZM Program, which is a Federal-State partnership for protecting, restoring, and responsibly developing coastal communities and resources. The coastal zone is defined as all lands of the State and the area extending seaward from the shoreline to the limit of the State’s police power and management authority, including the United States territorial sea (HRS § 205A-1). EA/EISs should reference this definition of the coastal zone. State agency actions must be consistent with the CZM program objectives and policies under HRS § 205A-2. The EA/EIS needs to discuss the project in terms of its consistency with the following CZM objective areas.
 - a. **Coastal and Ocean Resources.** The State has an interest in protecting coastal and marine ecosystems and resources, as well as coastal and marine water quality. The EA/EIS should identify any coastal and marine resources and ecosystems that may be impacted by the proposed project, and the potential for nonpoint sources of pollution from the project to adversely affect coastal and marine water quality. Project impacts on existing site and offsite hydrology and measures to manage stormwater and runoff need to be discussed. The Office of Planning recommends the use of low impact development (LID) techniques and other best

management practices (BMPs) that promote onsite infiltration and minimize runoff from storm events. More information on LID and stormwater BMPs can be found at <http://hawaii.gov/dbedt/czm/initiative/lid.php>.

- b. **Coastal and Other Hazards.** The EA/EIS should describe any hazard risks that are relevant to the site and describe the measures that are proposed to mitigate any hazard impacts, such as from tsunami, hurricane, wind, storm wave, sea level rise, flood, erosion, volcanic activity, earthquake, landslide, subsidence, and point and nonpoint source pollution. This should include a discussion of any wildfire hazard and any mitigation measures that might be required to address potential threats from wildfires.

The EA/EIS process also provides an opportunity to address the sustainability of proposed projects in terms of natural hazards and hazard mitigation, and the potential impact of climate change on the proposed project over time. To this end, OP recommends the final EA/EIS include a discussion of the proposed project with respect to the *State Multi-Hazard Mitigation Plan, 2010 Update*, adopted in September 2010, available at <http://www.scd.hawaii.gov/documents/HawaiiMultiHazardMitigationPlan2010PUBLIC.pdf>, as well as the respective County Hazard Mitigation Plan.

- c. **Coastal-dependent Uses and Beach Protection.** If the project is located on or near the coast, the EA/EIS should discuss why the proposed development needs to be located on the coast, the economic uses that will be of benefit to the State, as well as potential impacts on beach access. The discussion should identify measures to protect beach systems and ensure short- and long-term public access to beaches.
- d. **Coastal Recreational Resources.** If the project is located on the coast, the EA/EIS should include a description of recreational uses and facilities on or near the project site, and discuss how the impact of increasing users on coastal and ocean recreational resources and competing uses will be mitigated and managed during project development and buildout.
- e. **Scenic Resources.** The EA/EIS should discuss the impact of the proposed project on scenic views to and from the coast and along the coast and coastal open space, and how any impacts on these scenic and open space resources will be avoided, minimized, or mitigated.
- f. **Special Management Area (SMA) Permitting.** The SMA is defined by the counties and includes areas in the coastal zone that are particularly sensitive so that it requires special attention. Please identify whether the proposed project is within the SMA and how SMA permitting requirements pursuant to HRS Chapter 205A, will be satisfied.

For additional resources and information, visit <http://hawaii.gov/dbedt/czm>.

- 5. **Cultural, Archaeological, and Historic Resources.** Another CZM objective is to protect, preserve, and where desirable, restore those natural and manmade historic and prehistoric resources in the coastal zone that are significant in Hawaiian and American history and culture. If archaeological or historic properties or artifacts, including native Hawaiian burials, are identified in an archaeological inventory survey on the property, the EA/EIS should discuss how the petitioner has consulted with the State Historic Preservation Division (SHPD), what plans will be prepared to monitor or protect identified resources, and how the petitioner intends to comply with HRS Chapter 6E, related to historic preservation, and the CZM objective and policies for historic resources contained in HRS §§ 205A-2(b) and (c). SHPD has information and guidance available at <http://hawaii.gov/dlnr/hpd/hpgrtg.htm>.

The EA/EIS document should identify any cultural resources and cultural practices associated with the property, including visual landmarks, if applicable, and discuss the impact of the proposed project on identified cultural resources and practices as well as proposed mitigation measures. The LUC is obligated under Article XII, Section 7 of the Hawaii State Constitution to protect the

reasonable exercise of customarily and traditionally exercised native Hawaiian rights. Thus, the LUC requires information as to the presence of cultural resources and cultural practices associated with the project site and vicinity for decision-making on petitions. The State Office of Environmental Quality Control (OEQC) provides guidance for preparing a cultural assessment at <http://oeqc.doh.hawaii.gov>, at "Environmental_Assessment_PrepKit." (http://oeqc.doh.hawaii.gov/Shared%20Documents/Preparation_of_Hawaii_Environmental_Policy_Act_Documents/Guidance_on_Cultural_Impact/1997%20Cultural%20Impacts%20Guidance.pdf)

6. **Biota.** The EA/EIS should include an inventory and assessment of flora and fauna, including invertebrates, found on or in proximity to the project site and in any lava tubes and caves on the property that are listed on the federal or State list of endangered or threatened species. Please also discuss species of concern and candidates for listing. The petitioner should consult with the Database Manager at the Hawaii Biodiversity and Mapping Program, Center for Conservation Research and Training, University of Hawaii, (808) 956-8094, as to the potential for the presence of rare species in the project area. The EA/EIS should discuss measures to be taken to protect rare, threatened, or endangered species or ecosystems of concern as required by law. The design of the biological survey should consider both wet and dry season observations to capture the fullest range of flora and fauna.
7. **Wastewater Treatment and Disposal.** The EA/EIS needs to identify the anticipated volume of wastewater to be generated by type of user, as well as the proposed means of wastewater treatment and disposal. A discussion of the availability of county wastewater collection and treatment capacity and its existing service levels, design capacity, and allocated capacity is also needed. The EA/EIS should also identify whether any facility improvements would be required to accommodate additional wastewater generated within the service area, including the proposed project. If a private wastewater treatment system is identified as the preferred option, the EA/EIS should discuss the type of plant to be used, permitting requirements, plans for reuse and/or disposal of treated effluent and waste solids, and how the private system will be operated and maintained.
8. **Energy Use and Impacts.** The State Hawai'i Clean Energy Initiative has adopted a goal of using efficiency and renewable energy resources to meet 70 percent of Hawaii's energy demand by 2030, with 30 percent from efficiency measures and 40 percent from locally-generated renewable sources. The EA/EIS should quantify the projected energy requirements of the project and discuss measures to be taken to reduce energy demand, promote energy efficiency, and to promote use of alternative, renewable energy sources. Please discuss how energy efficiency and energy demand reduction, including reduced transportation energy use will be incorporated in the design of the project and identify the kinds of green building and sustainable design practices that could be used to promote energy and resource conservation in the proposed project. Please also identify any generating or transmission capacity constraints that may arise as a result of the proposed project and other projects planned for the region.
9. **Impact on State Facilities and Resources.** The EA/EIS should quantify the impacts of the proposed project on State-funded facilities, including schools, highways, harbors, and airports, and discuss these impacts in terms of existing and planned capacity of the impacted facilities. The EA/EIS should cite the mitigation measures proposed to be used in the development of the project and describe efforts to address identified State agency concerns. Regarding transportation impacts, consider project design options that limit the need to drive, including mixed land uses, compact site design, walkable neighborhoods, and providing a variety of transportation choices (e.g., biking, public transit, etc.).
10. **Conservation District.** If the proposed project is within the State Conservation District, the EA/EIS should provide an inventory of conservation resources, and discuss how the loss of these resources (habitat, watershed area, etc.) will impact the public.

11. **Conformance with County Plan Designations and Urban Growth or Rural Community Boundaries.** Act 26, Session Laws of Hawaii (SLH) 2008, reaffirmed the Land Use Commission's duty to consider any proposed reclassification with respect to the counties' adopted general, community, or development plans. If the proposed project is not consistent with the county plans or lies outside a county urban growth or rural community boundary, the EA/EIS should provide an analysis and discussion of the following:
 - a. **Alternative Sites Considered.** Describe and discuss alternative sites that were considered for the project, and discuss why the project could not be accommodated on lands within the urban growth or rural community boundary, if the county plan delineates such boundaries, or on land already designated by the county for similar uses.
 - b. **Impact on Surrounding Lands.** Discuss what the impacts of changing the county plan designation or extending the urban growth or rural community boundary would have on the surrounding lands.
 - c. **Significant Public Benefit.** Discuss what, if any, public benefits are provided by the proposed project above that already required under existing approval and permitting requirements.
 - d. **Plan Amendment.** Provide a timeframe for application for and approval of any required plan amendment.

12. **Environmental Health Hazards.** The EA/EIS should discuss the potential for the project or project users to generate hazardous materials or release possible contaminants to the air, soil, or water, as well as measures to be taken to ensure that environmental and public health and safety will be protected during construction and after buildout. The EA/EIS should also identify and discuss any potential health and environmental threats that may be present due to site-specific contamination from past or current use. If contaminants of concern are identified for the project site, OP recommends that the petitioner consult with the State Department of Health's Hazard Evaluation and Emergency Response Office as to measures to be taken to address possible or actual contamination at the site.

13. **Solid Waste Management.** The EA/EIS should quantify the volume of solid waste likely to be generated by the project by types of users, and describe the impact the project will have on the county's existing and planned capacity for managing solid waste as represented in the county's solid waste management plan. The EA/EIS should discuss specific mitigation measures to be taken to reduce solid waste generation and ensure that recycling and reuse are incorporated within the project area by residential, commercial, and institutional users.

14. **Sustainability Analysis.** OP is implementing the sustainability elements of the State Administration's New Day Comprehensive Plan and Act 181, SLH 2011 (the new sustainability priority guideline of the Hawai'i State Planning Act) by requesting petitioners to prepare sustainability plans for their projects in district boundary amendment proceedings before the LUC. LUC Dockets A06-771, DR Horton-Schuler Homes (Hoopili) and A11-793, Castle & Cooke Homes (Koa Ridge Māakai/Castle & Cooke Waiawa) provide a good point of reference for sustainability plans. The Koa Ridge Sustainability Plan and Hoopili Sustainability Plan can be found on the LUC's web site under each respective docket's exhibits.

To address the principles and priority guidelines for sustainability, OP recommends that a sustainability plan or relevant elements thereof be incorporated as part of program and plan development. The sustainability plan should be included as part of the applicant's submission for development review and approval, including environmental assessments or in petitions for district boundary amendment to the State Land Use Commission submitted pursuant to HRS Chapter 205. See Technical Assistance Memorandum 2013-1 in Planner's Toolbox available online at <http://planning.hawaii.gov>.

The sustainability plan should address the following areas:

- a. **Sustainable Development** - the development's contribution to creating a high quality of life and mutual supportive role among environmental, economic, and social equity concerns, as enumerated in HRS §226-108.
 - b. **Smart Growth and Livability Principles** - the principles that promote safety and options with transportation choices, the promotion of energy-efficient, equitable and affordable housing choices, the enhancement of economic competitiveness and support to the existing communities.
 - c. **Resource Conservation** – incorporation of energy and water efficiencies, including the implementation of solid or liquid waste management through methods of recycle and reuse, low impact development with respect to site design considerations and structural best management practices to increase on-site infiltration and reduce off-site flows and pollution from stormwater runoff, and climate change and hazard mitigation and adaptation strategies.
 - d. **Green Building Standards** - the planned use of green building and sustainable design practices.
15. **Development Timetable.** The LUC requires that projects seeking reclassification be substantially completed within ten years or seek incremental approvals, pursuant to HAR § 15-15-50. The EA/EIS and/or petitioner should provide a schedule of development for each phase of the total project and a map showing the location and timing of each phase or increment of development. Regarding infrastructure (e.g., highway improvements), the petitioner should discuss how improvements will be completed to ensure that mitigation coincides with the impact created by the proposed project.