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June 22, 2018

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

Dear Ms. Palama:

Subject: Kealia Mauka Homesites, Draft Environmental Impact Statement
Kealia, Kawaihau, Kauai
Docket: A17-803 Kealia Properties, LLC
Tax Map Key: (4) 4-7-004: 001 (por.)

Thank you for the opportunity to review the subject Draft Environmental Impact Statement (EIS) for Kealia Mauka Homesites. The Petitioner is proposing to develop 235 lots ranging from 5,500 square feet to 7,300 square feet on 53.4 acres at Kealia, Kawaihau, Kauai. The buyers of the lots will be responsible for home construction. The lot sizes are designed to provide workforce housing in accordance with the County of Kauai Ordinance No. 860. The lots will be served with potable water, wastewater, electrical, telecommunications, drainage and roads.

The Petition Area located two miles north of Kapaa is currently in the State Agricultural District and used for cattle grazing. A State Land Use District Boundary Amendment petition was filed on October 16, 2017 to reclassify the Petition Area from the Agricultural to the State Urban District to undertake the proposed development. 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) has reviewed the Draft EIS and offers the following:

1. Previous Comments. In response to OP's EIS Preparation Notice comments of January 25, 2018, the Draft EIS:
 - a. Has addressed most of the relevant issues of concern relative to Land Use Commission (LUC) decision making criteria and the areas of State concern.
 - b. Provided analysis on the projected number of students to be generated by the proposed development relative to the capacity of existing schools, but has not

Ms. Moana Palama

June 22, 2018

Page 2

indicated whether an Education Contribution Agreement with the State Department of Education is needed.

- c. Incorporated a schedule of development and a map showing the circulation and lot development layout.
 - d. Included an analysis on all parts of the Hawaii State Planning Act in Hawaii Revised Statutes, (HRS) Chapter 226.
 - e. Assessed how the proposed action conforms to the objectives and supporting policies of the Hawaii Coastal Zone Management Program in HRS § 205A-2.
 - f. Summarized the project area in relation to potential impacts to wetlands, perennial streams, tsunami evacuation and flood zones, nearshore water quality, and the coastal ecosystem.
2. Section 2.3.1 Project Description. Without being specific, the Draft EIS notes that the development “will provide lots that will meet the workforce housing requirements of Kauai County Ordinance No. 860.” This seemed to imply that all lots will be priced for workforce housing. Not until Section 5.2.5 is it mentioned that 30% of the lots equating to 71 of the total 235 lots will be workforce housing lots, and that this could be cut in half to 36 lots using the incentives allowed in the Ordinance. We recommend that the number of affordable units, at least in terms of range of lots, be disclosed up front in the Project Description portion of the EIS.

In accordance with the LUC’s Hawaii Administrative Rules 15-15-50 (c)(8) relating to the contents of a petition, the project description should also indicate the sales prices for the lots.

The Draft EIS notes that no more than one single-family dwelling unit will be allowed per lot. The EIS should clarify if any accessory, additional, or ohana dwelling units could be allowed. If so, the relevant sections of the EIS such as traffic and utilities should be revised to reassess project impacts.

3. Section 4.3 Noise. Noise-sensitive residential uses would be located immediately adjacent to Kuhio Highway, where at least 22 lots will be directly affected. We note that no noise assessment study was conducted for the proposed project in the Draft EIS. We recommend that a noise study be undertaken to determine the extent of noise impacts on future residents of the subdivision, and how noise will be adequately mitigated, including consideration for additional setbacks to mitigate the impacts of highway noise.
4. Section 4.7.1.2 Important Agricultural Lands. While the Draft EIS describes the County IAL study and notes that the Kealia Mauka site is not designated IAL, it does not indicate if the

Ms. Moana Palama

June 22, 2018

Page 3

subject lands are part of the recommended IAL lands in the County mapping study. Furthermore, the current status of County IAL designation should be clarified, the Draft EIS noting only that the final study has yet to be transmitted to the County Council. It is our understanding that the County does not intend to pursue the designation of additional IAL lands beyond what has already been designated under the voluntary landowner process.

5. Section 4.10 Infrastructure and Utilities. Section 4.10.1 is missing a discussion of communications facilities to be provided to the subdivision.
6. Section 4.12 Public Services. With an estimated 700 residents in the future subdivision, the availability of any civil defense warning systems in the project vicinity should be identified.

We have no further comments on the Draft EIS at this time. If you have any questions, please contact Joshua Hekeka of our CZM program at (808) 587-2845 or Tomas Oberding of our Land Use Division at (808) 587-2883.

Sincerely,



Leo R. Asuncion
Director

c: DBEDT, Land Use Commission, Daniel Orodener, Executive Officer
HHF Planners, Scot Ezer, Vice President