BEFORE THE LAND USE COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Petition of

WAIKOLOA MAUKA, LLC

To Amend the Agricultural Land Use District Boundaries into the Rural Land Use District for Approximately 731.581 Acres in South Kohala District, Island of Hawaii, Tax Map Key No. (3) 6-8-02:016 (por.)

DOCKET NO. A06-767

WAIKOLOA MAUKA, LLC’S
WRITTEN DIRECT TESTIMONY OF BRIAN A. TAKEDA

Exhibit “12”
WRITTEN DIRECT TESTIMONY OF
BRIAN A. TAKEDA

BACKGROUND QUESTIONS

1. Please state your name and business address for the record.
   Brian Takeda
   Planning Project Coordinator
   R. M. Towill Corporation
   420 Waiakamilo Road, Suite 411
   Honolulu, Hawai‘i 96817

2. What is your current occupation?
   Urban and Regional Planner.

3. How long have you been a planner by profession?
   Approximately 20 years.

4. Could you briefly describe your educational background?
   Master's in Urban and Regional Planning, University of Hawai‘i at Mānoa.
   Focused on fiscal impact analysis and alternative energy development disputes.

5. Do you presently belong to any professional organizations or associations?
   American Planning Association
   American Society of Civil Engineers
   American Water Works Association

6. Did you provide a copy of your curriculum vitae for purposes of this hearing?
   Yes.

7. Is Petitioner’s Exhibit “13” a true and correct copy of your curriculum vitae?
   Yes.

8. Could you briefly describe your training and work experience as a planner?
   I am trained as a project manager for projects involving urban and regional development. My work experience involves a range of projects from public facilities planning to private sector developments that included:
Written Direct Testimony of Brian A. Takeda

- The planned residential communities of Kukuiula in Kaua‘i and the current Waikoloa Highlands development.
- The installation of submarine fiber optic telecommunications cables statewide on all major islands.
- The development of a wind turbine site on Maui.
- Master planning for a military installation in Japan.
- Serving on a governor’s task force for the development of Hawaiian Home Lands for Native Hawaiian beneficiaries.
- Other environmental and land use authorizations for government and private sector projects at the federal, state, and county levels.

9. *Where are you currently employed?*

R. M. Towill Corporation
420 Waiakamilo Road, Suite 411
Honolulu, Hawai‘i 96817


RMTC is a multidisciplinary firm providing survey, civil engineering, photogrammetry, construction management, and planning services to clients in the State of Hawai‘i, U.S. Mainland, and countries in the Asia and Pacific Rim.

11. *How long have you been employed by R. M. Towill Corporation?*

I have been employed approximately 16 years, starting in 1991.

12. *What is your current position with R. M. Towill Corporation?*

I am a full time employee with the company.

13. *What is your title or position?*

Planning Project Coordinator.

14. *Please describe your duties and responsibilities.*

I am primarily responsible for the overall management, supervision, and completion of regulatory land use and environmental entitlements under the jurisdiction of federal, state, and county governmental agencies. This includes either the supervision or direct production of documents such as the subject EIS, as well as various other entitlements involving the special management area, shoreline setback, county zoning districts, state conservation district, and other federal and state regulatory entitlements involving the Clean Water Act, National Historic Preservation Act, and other acts that have been made law. In this capacity I am responsible for coordinating the completion of work from other
professional consultants and representing our clients before boards and commissions, and other public and community groups and organizations.

My responsibilities also include project administration on behalf of the firm including matters involving billing and contract management.

**15.** Could you describe to us what types of projects you have been involved in during your career, including residential projects?

- **Sands of South Kona,** Kahuku Ahupua’a, Ka‘ū, Island of Hawai‘i, involved a feasibility study to assess the development potential for a small-scale resort and large lot residential development. The project evaluation involved parcels with an overall area of approximately 19,000 acres.

- **Kaumana Homesteads,** South Hilo, Hawai‘i, involved the development of an approximately 147 acre site designed to deliver approximately 130, 1-acre agricultural lots for joint residential and agricultural uses.

- **Kahikinui Kuleana Homesteads,** East Maui, Hawai‘i, involved the assessment of a site owned by the Department of Hawaiian Home Lands for the development of homesteads for beneficiaries of Native Hawaiian and Hawaiian ancestry. The lots were envisioned to range from 5 to 10 plus acres in size over an area of approximately 2,500 acres.

- **Kukuiula Planned Community,** Phase 1, Köloa, Kaua‘i, Hawai‘i. This project involved the preparation of various environmental entitlements for an approximately 219 acre development above the coastal area of Köloa.

**16.** Do you possess specialized knowledge or expertise of the land use permitting system and land use policies for the State of Hawai‘i?

Yes, from the supervision or preparation of land use entitlements for various development project types over the past 15 plus years for government and private sector clients.

**WAIKOLOA HIGHLANDS PROJECT**

**17.** Are you familiar with the petition area and the existing characteristics of this area located in the South Kohala District on the island of Hawai‘i?

Yes, from prior familiarity of the region and from preparation of the subject EIS.
18. Are you familiar with Waikoloa Mauka, LLC’s (“Petitioner”) Waikoloa Highlands (“Project”)?

Yes.

19. How did you become familiar with this Project?

Through the preparation of the EIS document, including field reconnaissance, and through the coordination of professional subconsultant services needed to complete the EIS.

ANALYSIS

20. Could you please describe your involvement in the Project?

I am responsible for the preparation of the EIS and the coordination of subconsultant services necessary to complete the EIS.

21. Did you prepare the Environmental Impact Statement (“EIS”) for the Project?

Yes, I was responsible for preparation of the subject document by RMTC and its subconsultant team.

22. Is Petitioner’s Exhibit “14” a true and correct copy of the EIS for the Project?

Yes.

23. Could you describe the methodology used to conduct your analysis of the environmental impacts from the Project?

I understand this to mean the methods, procedures, and techniques that are used to assess the potential for environmental impacts that may result from the proposed Project.

The methodology employed begins with the review and adherence of HAR, Chapter 11-200-16 through 18, which prescribes the content requirements for an EIS, and HRS, Chapter 343, the EIS law, which provides guidance for identifying the environmental factors that should be evaluated.

These factors have been summarized into five (5) subject areas as provided in the EIS table of contents which include:

1 - Physical Environment
2 - Biological Environment
3 - Social and Built Environment
The general analysis of these factors involves a review of the existing published literature or data in relation to the Project site to determine if there is sufficient information to describe the existing conditions and to complete the analysis, or if further data is required. In some cases consultation with governmental agencies is also undertaken to validate the analyses.

For example, the assessment of soils is based on the Soils Survey of the Island of Hawai‘i, by the Soil Conservation Service (now changed to Natural Resources Conservation Service). The Soils Survey tells us there are four (4) major soil types, but that the presence of these soils would not constrain development, or constitute a potentially adverse condition if developed, that would require further mitigation.

If, in the review of the existing data additional information is required to substantiate the analysis, subconsultant studies are commissioned to the appropriate disciplines and firms with expertise in the required field of study. For example, the assessment of archaeological resources at the site was commissioned to Cultural Surveys Hawai‘i, with 24 years of experience in the Hawaiian archaeological community. Based on the results of work performed by Cultural Surveys Hawai‘i, and validated by the State Historic Preservation Division, no further impacts to archaeological resources is anticipated.

24. **Is the methodology you employed consistent with generally accepted industry standards?**

Yes.

25. **Are there any regulatory or advisory bodies that publish guidelines in an attempt to summarize these generally accepted practices?**

The Office of Environmental Quality Control (OEQC) publishes *The Environmental Guidebook*, providing comprehensive overview and guidance for the rules, regulations, responsibilities, and administrative procedures that are employed in the preparation, filing, and acceptance of environmental documentation to meet National Environmental Policy Act (NEPA) and Chapter 343, Hawai‘i Revised Statutes, regulations.

26. **Is your methodology consistent with these guidelines?**

Yes.
27. **I am showing you what has been marked as Petitioner’s Exhibit “1”. Do you recognize it?**

Yes.

28. **What is it?**

It is a map representing Figure 1, Project Location from the Project EIS for the Waikoloa Highlands Project site.

29. **I am now showing you what has been marked as Petitioner’s Exhibit “2”. Do you recognize it?**

Yes.

30. **What is it?**

It is a map representing Figure 2, Site Plan, from the Project EIS for the Waikoloa Highlands Project.

31. **Please define the area subject to the classification.**

The entirety of the 731.581 acres identified as the Project site on Exhibits 1 and 2, is subject to the State Agricultural District classification for which we are seeking a change in State Land Use to the Rural District.

32. **Describe the Project area.**

The Project site is 731.581 acres in size, and designated as TMK (3) 6-8-002: portion of parcel 016 as shown on Exhibit 3. The entirety of parcel 016 comprising 2,443.73 acres is owned in fee by Waikoloa Mauka, LLC.

A previous Archaeological Inventory Survey was conducted by Peter M. Jensen for Paul Rosendahl in 1990. According to this survey Waikoloa Mauka, which encompasses the Project area, was traditionally sparsely inhabited due to the harsh terrain. It notes that uses were probably mostly limited to serving as a transportation route, with only temporary periods of habitation.

In the mid 1800s the land was listed as under the ownership of John Young at the time of the Mahele in 1848. Cattle roamed free in this area of west Hawai‘i, and by 1846, the majority of the Waimea area had been converted to pasture land. This use of the land for pasturage continued into the early 1900’s by John Parker, founder of Parker Ranch in Waimea. According to the records of the Real Property Tax Office, Richard Smart, who is now deceased, sold the Project area to Boise Cascade in 1968. Boise Cascade sold this parcel to Waikoloa Land & Cattle Company, which in turn sold it to the Atpac Land Company.
Much of the land surrounding the subject property was also owned by the Waikoloa Land and Development Company, the original master developers of the 30,000-acre Waikoloa plan.

33. **Could you describe the environmental features of the Project area?**

   **Topography**
   The proposed Project site is vacant and undeveloped. The site terrain is characterized by rolling, grass-covered hills cut by several dry stream beds with rock outcrops. The Project site slopes upland from north to south, with average slopes ranging from 5 to 15 percent. Elevations range from 900 feet above mean sea level (“msl”) near the northwestern boundary to 1,300 feet msl near the southern boundary. The Auwaiakea Gulch transects the site, northeast to southwest along the eastern edge of the property.

   **Geology**
   The land in the Waikoloa area is composed of a mix of a‘ā and pāhoehoe lava flows. The source of these flows is from Mauna Kea between 65,000 and 250,000 years ago during the Pleistocene Age.

   **Soils**
   There are primarily four (4) soil types within the Project area:
   - (1) Kawaihae extremely stony, very fine sandy loam, with 6 to 12 percent slopes (KNC);
   - (2) Kamakoa very fine sandy loam, with 0 to 10 percent slopes (KGC), at the southern portion of the property adjacent to Pu‘u Hīna‘i, which is outside the Project area;
   - (3) Very stony land (rVS), which is a miscellaneous land type consisting of very shallow soil material and a high proportion of A‘ā lava outcrops; and
   - (4) Cinder land (rCl), which is a miscellaneous land type consisting of bedded cinders, pumice, and ash.

   Rock land (rRO), which is comprised of boulders and miscellaneous weathered rock can also be found within the Project site.

   **Climate**
   The alupua’a of Waikoloa can be considered one of the drier areas in West Hawai‘i with a generally low annual rainfall of between 10 and 15 inches. Daily highs range from 77 to 85 degrees Fahrenheit and most of the rainfall occurs in the winter months.

34. **Are there any existing uses or activities in the Petition Area? If so, what are they?**

   The Project site remains vacant and undeveloped.
35. **Are there any plans for future agricultural use in the Petition Area?**

Although there are no future plans for agricultural activities it is an allowed use by the County of Hawai‘i under the RA-1a zoning of the Project site. Any decision to pursue future agricultural uses would therefore rest with the individual owners of the parcels. We do note however, that historically the site has not been well suited to past agricultural practices and the existing terrain consisting mostly of Kawaihae extremely stony very fine sandy loam is mostly used for pasture, wildlife habitat, and recreational areas as noted by the soil survey for the Island of Hawai‘i.

36. **Please describe the Project.**

The proposed Project involves the subdivision and construction of infrastructure improvements for a new 398-lot subdivision. Construction activities will involve the development of roadways within the subdivision and the provision of water and electrical service to the property. Existing drainage through the subdivision will generally remain unchanged, except for where the roadway crosses the drainageways and culverts are installed. Increases in surface runoff due to increased impervious areas will be addressed on-site through dry-wells and detention basins.

Exhibit 4 identifies the proposed Subdivision Plan, which includes 398 low-density, rural residential lots, each a minimum of one acre in size. One (1) single-family home will be permitted in the development for each lot of record in accordance with Ordinance 05-157. Restrictions on additional units will be stated in the Covenants, Conditions and Restrictions (CC&Rs) for the Project. The Project will be developed in two (2) phases.

Exhibit 5 demonstrates that access to the subdivision will be from two (2) points along Waikoloa Road and along Pua Melia Street. An internal road will connect the two (2) access points, and connect to smaller collector roads and cul-de-sacs within the subdivision. All roads will be designed to applicable County standards.

The approximate land allocation for the 731.581 acres of the Project is as follows: roads would comprise 51.54 acres; residential lots would comprise 484.73 acres; and open space and drainageways would comprise 195.311 acres.

37. **What is the projected number of residents per household?**

We understand there was a prior question involving the projected number of residents per household based on the number of full-time residents that would be present at Waikoloa Highlands.
According to the FEIS, Appendix D, The Hallstrom Group Market Study, the projected Waikoloa Highlands population in 2025 when the Project is anticipated to be fully built out will be approximately 1,068 residents of which 907 are estimated to be full-time. To obtain the number of homes that would be occupied by these full-time residents involves taking the number of projected full-time residents, which in this case is 907, and then dividing that by the projected Average Household Size, or AHS, that is estimated for the year 2025.

The Hallstrom Group Market Study notes on Page 28 that, "Most Hawai‘i-oriented sociologists contend the movement to smaller household sizes will continue into the future; forecasting longer life-spans, the influx of single persons attracted to the climate and employment opportunities, increasing number of retirees, and the tendency toward fewer children." The study notes this decline however, will not be as significant in Waikoloa as elsewhere on the Island of Hawai‘i.

The study goes on to state, "...the average household size in the study area will stabilize by the Year 2025 at between 2.67 and 2.72 persons; still slightly above most Big Island locales."

Taking the 907 full-time residents and then dividing it by the AHS ranging from 2.67 to 2.72, we find the number of homes occupied by full-time residents at between 340 (339.700) and 333 (333.456), as demonstrated by Exhibit 6.

For reference, this information comes from the Market Study (Exhibit 20), Letter to Chester Koga, dated May 31, 2006, and the Quantification of Waikoloa Village Housing Unit Demand, pages 25 through 34.

38. **Describe the timeline for the Project’s development and implementation.**

The proposed Project is planned to be developed in two (2) phases. The Phase 1 is projected to start upon approval of the required land use entitlements and last approximately 8 to 10 months. This first phase will involve 319.081 acres and involve the development of roads, infrastructure, and utilities.

Phase 2 will involve 412.5 acres and will similarly take approximately 8 to 10 months following the completion of Phase 1. The remainder of the site roads, infrastructure, and utilities will be installed.

The Project is expected to be completed within 10 years of the date of receipt of the last land use entitlement allowing site work and development activities.
39. **What approvals has the Project received and what additional approvals are needed for the Project’s development?**

The County of Hawai‘i land use entitlements that have been secured for this Project include the RA-1a zoning district that allows the proposed Project, and the Tentative Subdivision Approval. The Final Subdivision Approval will be granted by the County as a condition of the zoning which requires the approval of the LUC for the subject Project before the Final Subdivision Approval is granted.

The remaining State and Federal approvals that are required include:

1. The subject State Land Use District Boundary Amendment to reclassify the property from the Agricultural to the Rural District;

2. The subject Chapter 343, HRS, EIS, that includes a HRS, Chapter 6E, Historic Consultation, and Act 50, Session Laws of Hawai‘i, Cultural Impact Assessment;

3. Other State and Federal authorizations and permit approvals that may include:
   A. A Noise Permit to address noise levels above those allowed in HRS, Chapter 46;
   B. A National Pollutant Discharge Elimination System (NPDES) Permit Application for Discharges of Construction Stormwater;
   C. A Underground Injection Control (UIC) permit application for the use of drainage injection wells;
   D. A Department of the Army Permit Application may be required for improvements to Auwaiakeakua Stream involving the construction of bridges or culverts within the stream;
   E. A Section 401 Water Quality Certification may be required based on the filing of the Department of the Army Permit Application for improvements that involve discharges to "waters of the U.S."
   F. A Coastal Zone Management (CZM) Federal Consistency Determination;
   G. A Stream Channel Alteration Permit (SCAP) for improvements to Auwaiakeakua Stream involving the construction of culverts;
   H. A Subdivision Approval for the Project in accordance with Chapter 23, Hawai‘i County Code, as described above;
   I. Grading Permits from the County of Hawai‘i for earthwork activities; and
   J. Building Permits from the County of Hawai‘i for infrastructure improvements that are now under review.
COMPLIANCE WITH THE HAWAI‘I STATE PLAN

40. Are you familiar with the Hawai‘i State Planning Act (“Hawai‘i State Plan”)?

Yes. The Hawai‘i State Plan, HRS, Chapter 226, was originally intended to govern and manage the comprehensive resources of the State of Hawai‘i for future generations.

41. What is the significance of the Hawai‘i State Plan as it relates to the Project?

The Plan identifies certain goals, objectives, and policies that are applicable to the proposed Project. Development activities that are proposed must be consistent with the Plan.

42. Could you briefly discuss your evaluation of the reclassification and development of the Petition Area for consistency with the objectives and policies of the Hawai‘i State Plan?

We examined the objectives of the Hawai‘i State Plan (Chapter 226-19, HRS) and find that the proposed Project is generally consistent with the Plan's statements of objectives which are cited in Section 4.1.1, Hawai‘i State Plan and Functional Plans, in the EIS, and displayed on Exhibit 7.

In summary, our review of eight (8) of the State Plan's housing objectives found the Project to be consistent with five of the objectives. The other objectives were found to be non-applicable to the proposed Project.

The review of the State's Priority Guidelines for affordable housing found the Project to be consistent with four of the eight objectives, as shown by Exhibit 8. The other objectives were non-applicable to the Project.

The review of the State Housing Functional Plan objectives found the Project to be consistent with all eight objectives, as shown on Exhibit 9, and the review of the Housing Functional Plan issue area of Homeownership indicated policy A(2): encourage increased private sector participation in the development of affordable housing, and policy A(3): Ensure that (1) housing projects and (2) projects which impact housing provide a fair share/adequate amount of affordable homeownership opportunities, will comply with the County's affordable housing requirement in accordance with Chapter 11, Hawai‘i County Code, which requires the Petitioner to earn affordable housing credits equal to 20 percent of the number of units or lots, which equate to the 80 planned units that will be provided for affordable housing by the developer.
In your professional opinion, are the objectives and policies of the Hawai‘i State Plan relevant to the Project satisfied?

Yes.

COMMISSION DECISION-MAKING CRITERIA

Are you familiar with the Commission’s decision-making criteria as set forth under HRS § 205-17?

Yes. There are four (4) criteria that must be considered by the Commission.

Could you briefly summarize your evaluation of the Project for conformance with the Commission’s decision-making criteria?

The decision-making criteria as promulgated in HRS, Chapter 205-17 specifies the items of review that must be considered by the LUC in its review of any petition for reclassification. Our evaluation of the criteria finds the following:

Criteria one states, "The extent to which the proposed reclassification conforms to the applicable goals, objectives, and policies of the Hawaii state plan and relates to the applicable priority guidelines of the Hawai‘i state plan and the adopted functional plans;"

The proposed Project was evaluated and has been found to be in conformity with the Hawai‘i State Plan. Specifically, there is conformity with the State Plan's Housing objectives, the Priority Guidelines for Affordable Housing, and the State Housing Functional Plan objectives.

Criteria two states, "The extent to which the proposed reclassification conforms to the applicable district standards;"

According to the LUC's rules for the standards of the Agricultural District in HAR, Chapter 15-15-19, we find the following: number one, the Agricultural District shall include land with a high capacity for agricultural production; number two, the district may include lands with significant potential for grazing or other agricultural uses; and three, the district may include lands surrounded by or contiguous to agricultural lands or which are not suited to agricultural or ancillary activities by reason of topography, soils, and other related characteristics.

Although the property is in the Agricultural District the land is not highly productive. The Land Study Bureau has classified the area as "E", meaning that it is only marginally suitable for agricultural use. Land surrounding the site is of
similar character and is primarily in residential and commercial uses and not in active agricultural production.

However, when compared to the applicable standards for the Rural District per HAR, Chapter 15-15-21, the proposed Project would be more appropriate to the Rural District and be compatible with the surrounding land uses in Waikoloa.

First, the Rural District would include areas consisting of small farms; provided that the areas need not be included in this district if the inclusion will alter the general characteristics of the area. There are no small farms in the vicinity of the Project.

Two, the Rural District shall include activities or uses as characterized by low-density residential lots of not less than one-half acre and a density of not more than one single-family dwelling per one-half acre in areas where "city-like" concentrations of people, structures, streets and urban level of services are absent, and where small farms are intermixed with the low-density residential lots. The proposed Project will comprise lots of not less than 1 acre with only one single-family dwelling allowed per lot.

Three, the Rural District may also include parcels of land which are surrounded by, or contiguous to this district, and are not suited to low-density residential uses for small farm or agricultural uses. The proposed Project site will be located adjacent to the Rural District of Waikoloa and will involve a development on land that is not well suited for small farm or agricultural uses.

**Criteria three** states that the LUC must review, "The impact of the proposed reclassification on the following areas of state concern:

(A) Preservation or maintenance of important natural systems or habitats;
(B) Maintenance of valued cultural, historical, or natural resources;
(C) Maintenance of other natural resources relevant to Hawaii's economy, including, but not limited to, agricultural resources;
(D) Commitment of state funds and resources;
(E) Provision for employment opportunities and economic development; and
(F) Provision for housing opportunities for all income groups, particularly the low, low-moderate, and gap groups".

The subject EIS for this Project has been prepared to address these items of state concern as well as the requirements of HRS, Chapter 343, requiring the full disclosure of the proposed Project on the built and natural environment. The conclusion of the EIS is that the Project with the inclusion of the mitigation measures as proposed would not have an adverse impact on environment.

**Criteria four** states, "The representations and commitments made by the petitioner in securing a boundary change."
The subject EIS represents fairly and accurately the subject of the proposed boundary change based on our review of the data and the conduct and information as provided by the professional subconsultants who were tasked with the evaluation of the Project.

46. **In your professional opinion, does the Project satisfy the Commission’s decision-making criteria?**

Yes.

**CONFORMANCE WITH RURAL DISTRICT BOUNDARY CRITERIA**

47. **Are you familiar with the standards for determining “R” Rural District Boundaries as set forth under section 15-15-21 of the Hawaii Administrative Rules (“HAR”)?**

Yes, as previously described.

48. **What is the significance of HAR §15-15-21 as it relates to the Project?**

It establishes the criteria for the Rural District that must be met by the proposed Project in order to be allowed a change in State Land Use.

49. **Could you briefly discuss your evaluation of the Project for consistency with the standards for Rural District Boundaries?**

The finding of the EIS is that the standards for the Rural District are more appropriate for the proposed use, while remaining consistent with the adjoining Rural District classification of the Waikoloa Village area.

First, the Rural District would include areas consisting of small farms; provided that the areas need not be included in this district if the inclusion will alter the general characteristics of the area. As noted, there are no farms in the vicinity of the Project.

Two, the Rural District shall include activities or uses as characterized by low-density residential lots of not less than one-half acre and a density of not more than one single-family dwelling per one-half acre in areas where "city-like" concentrations of people, structures, streets and urban level of services are absent, and where small farms are intermixed with the low-density residential lots. The Project will comprise lots of not less than 1 acre with only one single-family dwelling allowed per lot.

Three, the Rural District may include parcels of land which are surrounded by, or contiguous to this district, and are not suited to low-density residential uses for
small farm or agricultural uses. The proposed Project site will be located adjacent to the area of Waikoloa Village which is also in the Rural District. Both these areas would involve development on land that is not well suited for small farm or agricultural uses.

50. Based on your evaluation of the Project and in your professional opinion, does the reclassification and development of the Petition Area satisfy the Rural district boundary criteria?

Yes.

CONFORMANCE WITH STATE FUNCTIONAL PLANS

51. Are you familiar with the Hawai‘i State Functional Plans (“Functional Plans”)?

Yes.

52. What is the significance of Functional Plans as it relates to the Project?

The State Functional Plans are intended to further specify the objectives of the Hawai‘i State Plan by State agencies. The Functional Plan that is most relevant to the proposed Project is the State Housing Functional Plan.

53. Could you briefly discuss your evaluation of the Project for consistency with the Functional Plans?

The review of the State Housing Functional Plan objectives found the Project to be consistent with the eight objectives of the Plan. The objectives ranged from providing for greater opportunities for Hawai‘i’s people to secure reasonably priced, safe, sanitary and livable homes in suitable environments, to the promotion of research and development of methods to reduce the cost of housing construction in Hawai‘i. The proposed Project will provide new opportunities for homeownership of larger lots in the Waikoloa area, and the availability of subdivided lots will allow for flexibility in the type of home construction methods that can be employed at the site.

The Housing Functional Plan issue area of Homeownership was also reviewed for policy A(2): encourage increased private sector participation in the development of affordable housing, and policy A(3): Ensure that (1) housing projects and (2) projects which impact housing provide a fair share/adequate amount of affordable homeownership opportunities. The Project will comply with the County's affordable housing requirement in accordance with Chapter 11, Hawai‘i County Code, which requires the Petitioner to earn affordable housing credits equal to 20 percent of the number of units or lots, which equate to the 80 planned
units that will be provided for affordable housing by the developer. Combined
with other fair share assessments, a total of approximately $3.98 million will be
paid by the developer.

54. Based on your evaluation of the Project and in your professional opinion, have
the policies and objectives of the Functional Plans relevant to this Project been
satisfied?

Yes.

COASTAL ZONE MANAGEMENT PROGRAM

55. Are you familiar with the Coastal Zone Management ("CZM") Program as set
forth under Chapter 205A-2, HRS?

Yes.

56. Could you discuss the policies and objectives of the CZM Program?

HRS, Chapter 205A-2, identifies the policies and objectives for Hawai‘i’s coastal
zone management area. The ten (10) objective areas for the CZM program
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. The
establishment of these objectives are designed to preserve, protect, and where
possible, to restore the natural resources of the coastal zone.

57. Could you briefly summarize your evaluation of the Project for consistency with
the objectives and policies of the CZM Program relevant to the Project?

The Project was found to be generally supportive of the CZM objectives for
historic resources, economic uses, coastal hazards - in that the Project will have
sufficient mitigation measures to address risk due to floods and the maintenance
of State water quality standards, managing development, and public participation
- based on the public review of this Project as part of the EIS and LUC process.

The following CZM objectives were found to be not applicable to the Project and
included recreational resources - in that the Project will not affect coastal
recreational opportunities, scenic and open space resources - in that no scenic
views will be impacted, coastal ecosystems, beach protection, and marine
resources.
58. Based on your evaluation of the Project and in your professional opinion, are the objectives and policies of the CZM Program relevant to the Project satisfied?

Yes.

CONFORMANCE WITH COUNTY PLANS

59. Are you familiar with the County of Hawai‘i’s ("County") plans?

Yes.

60. What is the significance of the County plans as they relate to the Project?

County General Plan

The County of Hawai‘i General Plan provides direction for the future growth of the County and is enacted as an Ordinance by the County Council. The Plan consists of goals, policies, standards, courses of action, and maps that delineate the general desired location of land uses in the County.

County Development Plan

The General Plan identifies the Community Development Plan that is designed to translate the broad General Plan statements into specific actions that apply to a region. These specific actions may be described with detailed land use and zoning guide maps, plans for infrastructure and public facilities, design guidelines, planning for watersheds and other natural features, and any other matters related to the community development plan area.

In 2005, the General Plan called for the revival of the community development plan process and mandates the adoption of the community development plans by ordinance. We understand that this process has been initiated and that a steering committee will be selected to guide the development of the Community Development Plan.

Concerning the area of the proposed Project, however, we do note that in 1992 a Northwest Hawai‘i Open Space and Community Development Plan was prepared but not adopted. It identified a Mauka Development Zone (MDZ) that includes the area of Waikoloa. According to the plan the MDZ is, "a zone of land mauka of the coastal highways that would be the most suitable area for future large-scale residential development…the concept seeks to reduce development pressures on the visually and ecologically sensitive coastal zone, as well as on the views from the major roadways."
61. **Which County plans, if any, are applicable to the Petition Area?**

The General Plan, and although the Community Development Plan process has not yet been completed for the area of Waikoloa, there is some guidance that may be applicable to the Project, in the Northwest Hawai‘i Open Space and Community Development Plan.

62. **Could you briefly discuss your evaluation of the Project for conformance with the applicable County plans?**

The General Plan designated the Project site in the Land Use Pattern Allocation Guide or LUPAG map as "Rural" and "Open" as shown on Exhibit 10. The proposed low-density residential development of Waikoloa Highlands is consistent with these designations.

The Project in relation to the Northwest Hawai‘i Open Space and Community Development Plan is also consistent in as much as the proposed Project seeks to develop lands that are in the Mauka Development Zone, or MDZ, which facilitates the reduction of development pressure on the coastal zone.

63. **Based on your evaluation of the Project and in your professional opinion, are the objectives and policies of the County plans relevant to the Project satisfied?**

Yes.

**COUNTY ZONING**

64. **Are you familiar with the County’s zoning?**

Yes.

65. **What is the County’s zoning for this Project site?**

The Project site is zoned RA-1a, Residential-Agriculture and Open, and consists of minimum 1-acre lots. This is shown on Exhibit 11, County Zoning Map.

66. **Is the zoning consistent with the proposed uses planned for the Project?**

Yes.

67. **In your professional opinion, would you recommend reclassification of the Petition Area from Agricultural District to Rural District?**

Yes.