FISCAL YEAR 2025 COASTAL ZONE MANAGEMENT PROGRAM REPORT TO THE LEGISLATURE REGULAR SESSION OF 2026



Prepared by

OFFICE OF PLANNING AND SUSTAINABLE DEVELOPMENT DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM STATE OF HAWAI'I

This report satisfies Sections 205A-3(4), (7), and (10), Hawai'i Revised Statutes

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PROGRAM BACKGROUND

Introduction

This annual report discusses the Hawai'i Coastal Zone Management (CZM) Program for the period of July 1, 2024 through June 30, 2025. Established in 1977 with the enactment of HRS Chapter 205A, the CZM Program serves as the State's policy umbrella for facilitating and assuring interrelated and comprehensive coastal resource management.

Among the CZM Program's focus areas are identification of emerging issues and exploration of solutions, planning, policy development and implementation, stewardship, education and outreach, and technical assistance for local governments with permitting authority. As approved by the U.S. Department of Commerce, National Oceanic and Atmospheric Administration (NOAA), the CZM Program is a "network program" with collaborative partnerships among federal, state and local agencies and organizations to manage coastal land and water resources in Hawai'i.

Primarily funded through a cooperative agreement with the NOAA, Office for Coastal Management, the CZM Program provides guidance and financial assistance to counties to support their administration of the special management area ("SMA") permitting process, prepares and updates the Ocean Resource Management Plan ("ORMP"), and evaluates federal actions for compliance with the Coastal Zone Management Act.

CZM Program objectives and policies codified in HRS Chapter 205A include, but are not limited to:

Protecting, preserving, and where possible, restoring, coastal resources that have significant public recreational and ecosystem value, including beaches, coastal dunes, loko i'a (fishponds), coral reefs, and surfing sites

Strengthening coordination and improving the technical basis and policy mechanisms for the effective management, beneficial use, protection, and development of the coastal zone

Promoting research, study, and understanding of ocean and coastal processes, impacts of sea level rise, marine life, and other ocean resources to acquire information necessary to understand how coastal development activities affect coastal resources

Funding Mechanisms

1:1 funding match by the State is required by the NOAA cooperative agreement. In FY 2025 the Hawai'i Legislature took initial steps to address NOAA stipulations for temporarily approving federal funding for CZM Program positions by committing to restore State general funds. As a result, general funding for some positions (5.0 FTE) was reinstated in FY2026. However, the CZM Program's FY2027 supplemental budget request to change the MOF for the remaining positions (6.0 FTE) to general funding was not included in DBEDT's submittal to B&F.

The State will need to maintain current resources while continuing to provide additional resources to satisfy the 1:1 funding match, as use of federal funds remains contingent upon the State providing the 1:1 funding match.

ACTIVITIES AND ACCOMPLISHMENTS

Award Recognition

2025 APA Hawai'i Chapter Awards, Best Practice category - *An Analysis of Managed Retreat Strategies in Hawai'i: Policy and Funding Opportunities and Challenges*

Built off the 2019 Managed Retreat Feasibility Study, this analysis addresses policy, legal and financial implications of possible managed retreat strategies to shift development away from vulnerable coastal areas. While acknowleding that retreat is not appropriate in all situations or places, the project team identified key objectives for the project including preserving and restoring public trust resources, mitigating the risk of coastal hazards to people and structures, assessing existing tools and strategies that would facilitate retreat, identifying benefits and tradeoffs of different retreat strategies and, identifying which strategies are most appropriate for Hawai'i.

Through extensive stakeholder outreach and interviews, the project team identified some main takeaways including a need and desire to shift from a piecemeal, reactive and enforcement driven approach, to an adaptation framework that is proactive, holistic, transparent, equitable and consistently implemented. The project team consisted of CZM Program staff, SSFM International, Solutions Pacific, Schlack Ito, and Integral Consulting and funded using federal funds from NOAA.

The project's final report includes a proposed policy framework and 20 recommendations related to policy, jurisdiction, planning, regulatory, funding and land management that would lead to and support the implementation of managed retreat. The final recommendations focus on development along eroding sandy beaches – where public and private assets are most at risk, and where there is the greatest threat to high value public trust resources.

2026 – 2030 Section 309 Assessment & Strategy

Established under Section 309 of the Coastal Zone Management Act of 1972, as amended, the Coastal Zone Enhancement Program encourages improvements to state CZM programs through one or more of nine enhancement areas: Wetlands, Coastal Hazards, Public Access, Marine Debris, Aquaculture, Cumulative and Secondary Impacts, Special Area Management Plans, Ocean and Great Lakes Resources, Energy and Government Facility Siting.

Every five years, the CZM Program conducts a self-assessment to determine priority needs and opportunities for improvement within the nine enhancement areas; and to assess the effectiveness of existing management efforts to address identified problems.

ASSESSMENT FOR THE CURRENT CYCLE

An approved Assessment and Strategy is required to be eligible for the two types of NOAA Section 309 funding: Weighted Formula, and Competitive Projects of Special Merit. The CZM Program utilized a two-phase assessment to target high-priority enhancement areas.

Phase I: A high-level analysis of all 9 enhancement areas

Phase II: An in-depth analysis of 2 to 3 enhancement areas, including a strategy for each area to address high priority needs and identify methods to achieve goals.

Stakeholders provided feedback on priority enhancement areas, critical issues related to those priority areas, and opportunities to strengthen and enhance priority areas. An online survey and interviews were conducted in conjunction with the Hawai'i Ocean Resources Management Plan ("ORMP") 2025 Evaluation & Refresh of the 2020 ORMP.

HIGH-PRIORITY ENHANCEMENT AREAS FOR THE CURRENT CYCLE

The CZM Program aligned our 2026-2030 309 Strategy with the ORMP, selecting Coastal Hazards, Ocean Resources, and Wetlands as the high-priority enhancement areas. High-level goals for each enhancement area are listed below.

Coastal Hazards: Increase the State's ability to implement comprehensive, community-driven, regional-scale adaptation planning by (1) developing an interagency governance framework to plan implement and encourage regional scale adaptation efforts in response to coastal hazards, and (2) developing an online portal that can serve as a one-stop shop for resources, tools, guidance, etc. related to regional scale adaptation planning

Ocean Resources: Facilitate and support a comprehensive, watershed-based approach (mauka to makai) for marine ecosystem health, coastal resilience, and water quality improvements

Wetlands: Create a statewide map of wetlands that can be used to inform permitting decisions to ensure that wetlands protections are considered

FISCAL NEEDS TO IMPLEMENT THE 2026 - 2030 STRATEGY

To the extent possible, the CZM Program plans to continue to utilize existing federal awards and anticipated Section 309 weighted formula funds to implement the 2026 – 2030 Strategy. The CZM Program will apply for Project of Special Merit ("PSM") competitive funding if PSM funding becomes available in FY 2026. However, interruptions to federal funding access are possible and such interruptions would pause all activitiy.

While the CZM Program prudently manages limited State funding, increasing State funding would facilitate statewide implementation, compared to the current "pilot" implementation structure.

Hawai'i Ocean Resources Management Plan (ORMP) Evaluation & Refresh In 2020, the ORMP Network partner agencies began a 10-year Implementation Phase centered on a mauka to makai approach to building coastal resilience, protecting marine ecosystems, and addressing climate and development pressures. The 2025 ORMP Evaluation & Refresh:

Provides a comprehensive assessment of implementation actions completed by the ORMP network starting in 2020

Identifies emerging issues and strategic priorities for 2025 through 2030

Reinforces the effectiveness and value of the ORMP Network Structure

To inform this effort, a comprehensive document review and evaluation of implementation progress were conducted, including systematic analysis of agency reports, project documentation, policy updates, and technical studies. This review helped to assess the extent to which the original strategies were implemented and where barriers, such as resource limitations, multi-jurisdictional challenges, or shifting environmental conditions, have hindered progress.

Stakeholder engagement was a pivotal aspect of the ORMP Evaluation & Refresh process. Input was gathered from ORMP network partners across State, federal, and county agencies, as well as academic institutions involved in coastal resource management. These consultations provided valuable insights into on the ground implementation realities, emerging issues, and areas where coordination could be improved.

The gap analysis synthesized findings from both the document review and stakeholder engagement to identify where existing strategies were falling short, which priorities may need recalibration, and where new priorities or challenges may have surfaced. Notably, this included pressing issues such as **cesspool conversion**, **wetland management**, and **watershed-scale coordination**, areas that were either not fully addressed in the 2020 plan or have since become more urgent due to evolving climate pressures and regulatory developments.

Final deliverables include a report on the CZM website (<u>link</u>) and an accompanying 2025 ORMP Evaluation & Refresh Overview StoryMap (<u>link</u>).

BUILDING STATEWIDE RESILIENCE

Hawai'i Ocean Resources Management Plan (ORMP) 2020 – Implementation

The ORMP is a comprehensive statewide plan that employs collaboration amongst agencies with land and water resources responsibilities to address management gaps. The CZM Program serves as the lead agency for the coordination of the implementation of the Plan and is tasked with periodic updates. As discussed above, the CZM Program completed the 2025 ORMP Evaluation & Refresh during this reporting period.

The 2020 ORMP prioritizes three (3) focus areas. Activities and implementation updates are below. Further information about the most recent version of the Plan is on the OPSD website (link). Similar resources will be developed as implementation progresses.

FOCUS AREA 1: COASTAL HAZARDS AND DEVELOPMENT

Regional Shoreline Management / Pili Nā Moku Project

During this reporting period, the CZM Program continued progress in the Regional Shoreline Management strategy, a long-term initiative to facilitate a more comprehensive understanding of shoreline and coastal conditions to inform coastal adaptation planning and management decisions. The CZM Program completed Phase II (Agency Consultation) in December 2024. This phase included in-depth meetings with 48 individuals from 25 different entities (Federal, State and County agencies). Feedback received from the agencies was used to revise the strategy approach and identify potential use cases.

With completion of the scoping and agency consultation, the CZM Program is currently in the piloting phase of the Regional Shoreline Management strategy. As a subawardee on the University of Hawai'i – Sea Grant Program's Pili Nā Moku Project (NOAA Climate Resilience Regional Challenge Award), the CZM Program will be working in three moku (Wai'anae, O'ahu, Kona, Moloka'i, Pū'ali-Komohana, Maui) across the state to pilot the regional shoreline mapping and delineation process which will be used to identify coastal adaptation projects. The technical mapping was completed in August 2025 and community mapping workshops within the three moku should begin in early 2026.

FOCUS AREA 2: REDUCTION OF LAND-BASED POLLUTION

Adding Moloka'i to the Hawai'i Cesspool Prioritization Tool

Through a contractor and in collaboration with DOH, UH WRRC, and UH Sea Grant College Program the CZM Program identified, developed, and processed missing Moloka'i-based datasets to integrate Moloka'i into the Hawai'i Cesspool Prioritization Tool (HCPT). The purpose of this project was to expand the HCPT by identifying additional Priority 1 cesspools in Moloka'i, which increases residents access to cesspool conversion grant funds. This project was completed in August 2025.

FOCUS AREA 3: MARINE ECOSYSTEMS

Hawaiian Estuaries Viewer

Through collaboration with DAR and Esri Professional Services, the Hawaiian Estuaries Viewer will serve as a resource to (1) identify the locations of Hawai'i's various types of estuaries (e.g., bay, riverine, lagoonal, and reefal); (2) identify the estuaries that have the potential to provide habitat to native species; (3) allow for filtering to view specific estuary types; and (4) compile and present information on Hawaiian estuaries in one accessible geospatial resource. While the Viewer will be available to the public, the primary audience is planners, water regulators, resource managers, and developers. Anticipated project completion is December 31, 2025.

ACT 178, SLH 2021 Relating to Sea Level Rise Adaptation

In the 2021 legislative session, OPSD was mandated to coordinate with state agencies with facilities management responsibilities to identify state facilities vulnerable to sea level rise and other natural hazards and identify mitigation and adaptation strategies. The CZM Program was later allocated \$400,000 to facilitate the development of a standardized method for conducting sea level rise vulnerability assessments for State managed facilities.

During this reporting period, the CZM Program contracted ICF Incorporated LLC to develop a standardized process for assessing State facility vulnerability to sea level rise (SLR). A beta version of the SLR Vulnerability Assessment Tool (SLR-VAT) was launched at a multi-agency meeting on May 15, 2025. OPSD-CZM and ICF followed up with in-person meetings with key agencies to walk through the beta tool and gather feedback. ICF made final adjustments to the Tool and User Guidance to align with the updated features of the Hawai'i SLR Viewer. Anticipated project completion is December 31, 2025.

See DBEDT Annual Report Website for 2025 Act 178, SLH 2021 Annual Report.

CZM-Funding Award Collaborations

Building Capacity Within Land Conservation Organizations

Funding from NOAA through the CZM Program was awarded to local Land Conservation Organizations for projects to increase capacity by addressing a problem or filling a gap to reduce barriers in carrying out a long-term habitat restoration or conservation/land acquisition project.

Approximately \$323,450.00 was awarded to eight (8) organizations statewide across three rounds of funding:

Hawai'i Land Trust - received funding to advance due diligence and conservation easement drafting, and for staff training at the Hawai'i Conservation Conference

Mālama Pūpūkea-Waimea - received funding to develop a Native Plant Restoration Plan, an Erosion Control Plan, and a Water Quality Plan

Kuleana Coral Restoration - received funding to hire monitoring technicians to process and analyze a backlog of collected data and translate it into visual map outputs

North Shore Community Land Trust - received funding to support a staff member focused on public outreach to increase community engagement

Hoʻokuaʻāina - received funding to advance the long-term restoration of habitat and function of the riparian buffer of Maunawili stream

Island Ecological Services - received funding for a project, in partnership with Pacific Birds Habitat Joint Venture and the State Division of Forestry and Wildlife (DOFAW), to develop permitting guidance to support the building of fences around critical wetlands

Moloka'i Heritage Trust - received funding for staff training to enhance staff knowledge in conservation strategy, stewardship, Indigenous land governance, and nonprofit leadership

Waipā Foundation - received funding to develop a Maintenance and Management Plan for restoration and learning sites supporting stewardship within the ahupua'a of Waipā

Integrating Coastal Zone Management in Hawaiian Home Lands

Through a competitive Project of Special Merit Award from NOAA, this project (1) explores the challenges and roadblocks to managing coastal activity on Hawaiian Home Lands ("HHL") by: (a) assessing the current policy and regulatory landscape affecting coastal activity on HHL, and (b) identifying potential strategies to create consistent policy and regulatory implementation practices for coastal activity on HHL; and (2) supports Department of Hawaiian Home Lands ("DHHL") efforts to increase coastal resiliency on HHL by: (a) assessing feasible frameworks to guide existing and new development along the shoreline on HHL, and (b) identifying frameworks that DHHL can explore to incorporate traditional land management practices along the shoreline on HHL.

During this reporting period, the project team completed an assessment of current, SMA-related DHHL practices and a legal analysis of existing laws and policies (HRS 205A, Hawaiian Homes Commission Act, etc.). Additionally, the project team completed site visits to five case study locations: Anahola (Kauaʻi), Nānākuli (Oʻahu), Kapaʻākea, Kalamaʻula, Kamiloloa (Molokaʻi), Waiehu Kou (Maui), and Keaukaha (Hawaiʻi). For each site visit, the project team met with DHHL beneficiaries, current and former Hawaiian Homes Commissioners, DHHL Island staff, members of homestead associations, and others to better understand the on-the-ground challenges of trying to conduct activities in the shoreline area. Information gathered from these site visits will be used to inform the recommendation of potential options DHHL could employ to better manage shoreline areas on HHL. Strategy Recommendations and a Roadmap to Implementation are the remaining deliverables by the end of March 2026.

PUBLIC OUTREACH AND AWARENESS

Island-Specific Highlights

Kaua'i

County Planning Department staff and community members led CZM staff on site visits to learn about Kaua'i-specific coastal issues on the East, North, and West sides of Kaua'i. The Kaua'i site visits provided an exploration of nature-based solutions to mitigate erosion; sites related to managed retreat, cesspool conversion, coastal hazards, and ongoing efforts to address issues.

CZM staff also participated in the first community meeting with the County Planning Department and Hui Hana Paʻakai o Hanapēpē, a hui composed of the families who steward the Hanapēpē Salt Ponds. The meeting was part of the project, "The Dune Restoration, Community Outreach, and Capacity Building Project at Hanapēpē Salt Pond" awarded to Kauaʻi County by NOAA. The project seeks to restore the dune ecosytem neighboring the salt ponds to increase its ability to act as buffer against climate change impacts and protect the salt ponds. The project fosters a collaborative environment between state and county agencies and the salt making cultural practitioners.

Hawai'i

A quarterly Marine and Coastal Zone Advocacy Council ("MACZAC") meeting was held in Kona. CZM staff along with the West Hawai'i MACZAC representative and Chair of MACZAC joined Hawai'i Island DAR staff, County staff, and members of the Coral Reef Alliance on site visits to learn about marine and anchialine pool restoration sites and water quality monitoring and outreach efforts in Kailua-Kona, Kahalu'u-Keauhou, and Honaunau-Napo'opo'o.

CZM staff joined County Planning Department staff on site visits to learn about coastal issues in Hilo, including exploring the proposed fishpond restoration project at Whittington Beach Park in Nāʻālehu and a restored fishpond system at the Kumuola Marine Science Education Center; examining challenges related to shoreline property development, vegetation encroachments, seawalls and shoreline easement and access; and reviewing the repair and maintenance needs of the Hakalau Beach bridge, including lead-soil remediation at the beach park beneath it.

Lānaʻi

A quarterly Marine and Coastal Zone Advocacy Council ("MACZAC") meeting was held on Lāna'i. CZM staff were joined by MACZAC representatives from Lāna'i and Maui to learn about mauka to makai restoration work on the island. The group visited Lāna'i Culture and Heritage Center and the Hi'i Heiau to learn about the history of Lāna'i and native plant restoration work at the Heiau. The Nature Conservancy staff hosted a vist to the Kānepu'u Preserve where the group learned about dryland forest restoration efforts and had the opportunity to plant native trees in the area. The group ended with a visit to the Waia'opae fishpond, one of the largest fishponds in the State.

Maui

A quarterly Marine and Coastal Zone Advocacy Council ("MACZAC") meeting was held on Maui. CZM staff joined Kipuka Olowalu and Coral Reef Alliance in Olowalu. Staff was briefed on the Resilient Reefs for Maui Nui project progress, long term vision, and future steps in the project.

CZM staff also joined County Planning Department staff on site visits to Stable Road Beach and the 'Āinakūko'a o Waiohuli Kai Wetland to showcase successful implementation of nature-based solutions for beach erosion. Stable Road Beach solutions involved a combination of dune restoration and stub groins, while wetland and dune restoration in 'Āinakūko'a o Waiohuli Kai showed that muliwai can flourish even in highly developed areas. On site visits to Lahaina, Maui County staff highlighted wildfire recovery progress and challenges, including reviewing select properties for SMA and shoreline rules rebuilding; examining nature-based solutions and shoreline-stabilizing structures within the shoreline area; observing reconstruction efforts at the Kihei Kai condominiums damaged during Kona Storm flooding; and assessing ongoing dune restoration projects for beach stabilization.

Moloka'i

CZM staff joined County Planning Department staff and community members on site visits to learn about Moloka'i-specific coastal issues, including exploring alternative locations and engaging with county agencies regarding the proposed relocation/shoreline retreat of the Kaunakakai Wastewater Facility; identifying a potential nonprofit or community group to lead a model stream-cleanup project to mitigate flooding hazards; and discussing fishpond restoration efforts to support shoreline erosion control.

O'ahu

CZM staff participated in several workdays, project-specific site visits, and collaborative visits with nonprofit organizations engaged in conservation and coastal management across various watersheds. As part of the project with DHHL, staff conducted site visits in Nānākuli to observe the shoreline issues that beneficiaries are facing and to better understand community priorities. Additional workdays were completed with Kākoʻo ʻŌiwi and the Waiʻanae Mountains Watershed Partnership, supporting restoration and watershed stewardship efforts. CZM staff also met with North Shore Stables to learn about their ongoing shoreline restoration projects, and with Kingdom Pathways to gain insight into the water-quality challenges affecting the Waiʻanae community.

Marine and Coastal Zone Advocacy Council (MACZAC)

The MACZAC serves as the public advisory body to the CZM Program and consists of up to 12 volunteer members statewide representing a diverse background of experience. The MACZAC held 3 (three) public meetings on September 6, 2024; January 10, 2025; and April 9, 2025. Four (4) Permitted Interaction Groups (PIGs) were held, three (3) on Public Engagement and one (1) on the Hawai'i Congress of Planning

Officials. Monthly meetings are held with the MACZAC Chair, the Vice Chair, and CZM Program staff to facilitate consistent communication between quarterly meetings.

REGULATORY RESPONSIBILITIES FOR ENVIRONMENTAL COMPLIANCE

Federal Consistency Reviews

Federal activities or development projects, activities requiring a federal permit or license, and activities conducted with federal financial assistance are reviewed to ensure the activities are undertaken to the maximum extent practicable with the State's CZM Program.

Special Management Area (SMA) Reviews

As the lead agency, the CZM Program coordinates with the County Planning Departments monthly, provides technical assistance to county planners in their administration of the SMA, and reviews and provides comments on county consultations for SMA permits. The CZM Program also conducts SMA assessments and issues SMA approvals in the state community development districts (CDD). Outside of the CDD, the authority is delegated to the counties.

Monitoring and Compliance

The CZM Program reviews and monitors agency activities and decisions through the environmental compliance process to ensure that agencies and decisionmakers are conducting activities consistent with the State CZM Program objectives and policies.

During the reporting period, the CZM Program completed the following:

- 34 Federal Consistency Reviews
- 65 Environmental Reviews
- 1 Special Management Area review in the community development districts
- 31 reviews for county SMA consultations