SYLVIA LUKE LT. GOVERNOR



DEAN MINAKAMI
EXECUTIVE DIRECTOR

IN REPLY REFER TO:

24:PECB/116

STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM

HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION

677 QUEEN STREET, SUITE 300 HONOLULU, HAWAII 96813

FAX: (808) 587-0600

November 1, 2024

Ms. Mary Alice Evans, Director
Office of Planning and Sustainable Development
P.O. Box 2359
Honolulu, Hawaii 96804-2359

Dear Ms. Evans:

Subject: Environmental Assessment Exemption Notice

Ka Lei Momi Lanakila Homes Affordable Housing Project (Project)

60 Holomalia Street; Hilo, Hawaii Island Tax Map Key: (3) 2-4-028:007 (portion)

Pursuant to administrative rules promulgated under the authority of Section 343-6(5), Hawaii Revised Statutes; and under sections 11-200.1-15, 11-200.1-16, and 11-200.1-17, Hawaii Administrative Rules, this letter serves as notification and a request for publication that the Hawaii Housing Finance and Development Corporation (HHFDC) has declared this Project exempt from the preparation of an Environmental Assessment.

The Hawaii Public Housing Authority in partnership with HCDC Hawaii Development LLC is proposing to construct the Ka Lei Momi Lanakila Homes Affordable Housing Project, which will be a new 258-unit affordable multi-family rental development on approximately 8.65 acres of vacant land in Hilo.

After careful analysis as described in the attachment, HHFDC has considered primary, secondary, and cumulative impacts of the Project and has determined the Project is not anticipated to have significant impacts on the environment.

Sincerely,

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Dean Minakami
Executive Director

Attachment

KA LEI MOMI LANAKILA HOMES AFFORDABLE HOUSING PROJECT ENVIRONMENTAL ASSESSMENT EXEMPTION NOTICE

Pursuant to Chapter 343, Hawaii Revised Statutes (HRS 343) and Section 11-200.1, Hawaii Administrative Rules (HAR 11-200.1)

AG	SENCY OR APPLICANT ACTION
	This exempted action is an agency action as defined by HRS 343-5(b) and HAR 11-200.1-8
	This exempted action is an applicant action as defined by HRS 343-5(e) and HAR 11-200.19.

EXEMPTION TYPE

The Exemption Notice for the action described below is based on HHFDC's comprehensive exemption list,¹ which mirrors and exceeds the exemption criteria for the demolition of structures and construction of new affordable housing projects under HAR 11-200.1-15(c).

- 10. New construction of affordable housing, where affordable housing is defined by the controlling law applicable for the state or county proposing agency or approving agency, that meets the following:
 - A. Has the use of state or county lands or funds or is within Waikiki as the sole triggers for compliance with HRS 343;
 - B. As proposed conforms with the existing state urban land classification;
 - C. As proposed is consistent with the existing county zoning classification that allows housing; and
 - D. As proposed does not require variances for shoreline setbacks or siting in an environmentally sensitive area, as stated in HAR 11-200.1-13(b)(11).

Part 2 Actions – Development of affordable housing provided pre-assessment consultations were conducted to determine the appropriateness of preparing an exemption notice or requiring an environmental assessment.

2. Construct multi-family residential units including, but not limited to, grading; roadway and traffic systems; utility systems; dwelling units; landscaping; and ancillary facilities; provided all applicable approvals and administerial permits are obtained.

¹ As concurred in by the Environmental Advisory Council on November 1, 2022, see: https://files.hawaii.gov/dbedt/erp/Agency_Exemption_Lists/State-Hawaii-Housing-and-Finance-Development-Corporation-2022-11-01-Exemption-List.pdf

DESCRIPTION OF ACTION

Proposing Agency or Applicant: The Applicant is HCDC Hawaii Development LLC (HCDC or the Applicant); 330 West Victoria Street Gardena, California 90248. The approving agency of this exemption notice is the Hawaii Housing Finance and Development Corporation (HHFDC).

Project Name & Address/Location: The Ka Lei Momi Lanakila Homes Affordable Housing Project (Project) is located at 60 Holomalia Street; Hilo, Hawaii 96720 (Project Site).

Estimated Construction Schedule: Phase I – Construction start: Mid-2027 / Construction completion: Late-2028. Construction of Phase II will be contingent upon receipt of financing allocation, but is planned to be implemented upon completion of Phase I.

Tax Map Key (TMK) and latitude/longitude coordinates (in decimal degrees): TMK: (3) 2-4-028:007(portion). Coordinates: 19.712101, -155.083165.

Anticipated Permits, Approvals, and Notifications:

Permitting Agency	Permit Type
County of Hawaii	Grading, Grubbing, & Stockpiling Permits (DPW)
	Building Permit (DPW)
	Private Waterline Installation Permit (DPW)
	Certificate of Occupancy (DPW)
	Permit to Work Within the County Right-of-Way (DPW)
	Plumbing Permit (DEM)
	Permit to Perform Work for Sewer Connection (DEM)
	Department of Water Supply Review
	Hawaii Fire Department Plan Review
	201H Approval (Hawaii Planning Director)
State of Hawaii	Governor's Proclamation Relating to Affordable Housing (HHFDC)
	National Pollutant Discharge Elimination System and Noise Permit (DOH)
	ADA Coordination (DCAB)
	Chapter 6E, HRS (SHPD)
Federal	FAA Form 7640-1

NARRATIVE

The Project site is owned by the State of Hawaii, under the jurisdiction of the Hawaii Public Housing Authority (HPHA). In partnership with HCDC Hawaii Development LLC (HCDC or the Applicant), an entity controlled by Highridge Costa Development Company, HPHA is proposing to construct the Ka Lei Momi Lanakila Homes Affordable Housing Project (Project), which will be a new 258-unit affordable multi-family rental development on approximately 8.65 acres of vacant land in Hilo (See Figure 1). The Project site was previously improved with multifamily buildings, which were demolished and cleared and are currently vacant. HPHA has executed a Master Planning and Predevelopment Agreement with HCDC for this Project.

The Project is located at 60 Holomalia Street, which is located mauka of Hilo Bay. Vehicular access to the interior of the Project site is provided via Wailoa and Kapiolani streets, and the Project site contains the existing, two-way, undivided Ululani, Akahi, and Hema streets, all of which are Hawaii County rights-of-way.

The Applicant will build 22, three-story garden-style walkup buildings (with two of the buildings containing community rooms on the first floor), 378 parking stalls, and amenities such as a children's playground, dog park, laundry facilities, and community gathering areas. The overall parking ratio is 1.46 spaces per unit. The Project will be developed in two phases, with Phase I containing 152 units and Phase II containing 106 units. It is noted that each phase will have a 2-bedroom manager's unit. See Figure 2.

Unit Type	Phase I	Phase II	Total
1-Bedroom	50 Units (33%)	39 Units (37%)	89 Units (34%)
2-Bedroom	76 Units (50%)	53 Units (50%)	129 Units (50%)
3-Bedroom	26 Units (17%)	14 Units (13%)	40 Units (16%)
Subtotal	152 Units (100%)	106 Units (100%)	258 Units (100%)

The maximum building height will be up to 35 feet above ground level. The Project will include approximately 3.99 acres of open space, inclusive of a large park area in the central area of the Project site. The Project will also provide eight bike storage facilities across the Project site.

The Applicant commits to the following income and affordability restrictions listed below for 75 years.

Restricted at the Area Median Income (AMI)	Number of Units	Approximately Percent of Total Units
30% of the AMI	26	10%
50% of the AMI	26	10%
60% of the AMI	204	79%
Total Affordable Units	256	Greater than 99%
Manager Units	2	Less than 1%
Total Number of Units	258	100%

HCDC will seek Low-Income Housing Tax Credits to partially finance the project. In addition, HCDC will seek financing from the Rental Housing Revolving Fund, and/or other State financing programs. As such, HHFDC will be the approving agency for HRS 343 compliance because of the use of these State financing programs.

HCDC is preparing an application to HHFDC for the Project to be approved as a certified affordable housing project under the Governor's Ninth Proclamation Relating to Affordable Housing dated October 10, 2024 (EP), as may be succeeded by a similar emergency proclamation.

HCDC will seek exemptions from certain Hawaii County requirements relating to planning, zoning, construction standards for subdivisions, development, and improvement of land, and the construction of dwelling units thereon.

As part of the Emergency Proclamation (EP) and 201H applications, HCDC will seek exemptions as detailed in Attachment A.

ENVIRONMENTAL ANALYSIS

HHFDC has considered the potential effects of the Project and all related activities against the criteria checked below:

		Not Applicable
\boxtimes	Land Use and Zoning Conformance	
\boxtimes	Traffic (Vehicles, Bicycles, Pedestrian)	
\boxtimes	Infrastructure (Roads, Building, Utilities)	
	Social-Economic	\boxtimes
\boxtimes	Public Health and Safety	
	Recreational Resources	\boxtimes
\boxtimes	Cultural, Historic, and Archeological Resources	
\boxtimes	Visual and Aesthetic Resources	
	Terrestrial and Avian Resources	\boxtimes
	Surface and Ground Water Resources	\boxtimes
	Wetlands, Floodplains, and Riparian/Coastal Resources	\boxtimes
\boxtimes	Air Quality Pollutant Emissions	
\boxtimes	Noise Emissions	
	Solid, Hazardous, and Liquid Waste Emissions	\boxtimes
	Other (As noted below)	\boxtimes

Relevant Environmental Analysis of the Project is provided below:

- 1. Land Use and Zoning. The Project Site is located within the State Urban District. See Figure 3. The County of Hawaii Land Use Pattern Allocation Map designates the Project site as "High Density Urban". See Figure 4. The Project Site is located within the County of Hawaii RD-3.75, Double-Family Residential and RS-10, Single-Family Residential zoning districts. See Figure 5. Housing is a permitted use within these zoning districts.
- 2. *Traffic.* Vehicular access to the site will be provided along Wailoa and Kapiolani streets, both of which are two-way roads. Ululani, Hema, and Akahi streets provide circulation to the interior of the Project.

The Applicant's traffic engineer has prepared a Traffic Impact Assessment Report (TIAR) for the Project. The TIAR analyzed operations at six study intersections in and around the Project area for three scenarios: Existing (2024), Future Without (2029, 2034, 2044) Project, and Future With (2029, 2034, 2044) Project conditions. All study intersections and individual movements are projected to continue to operate at a Level of Service (LOS) D, or better, and the TIAR concluded that no intersection mitigation is required.

3. *Infrastructure*. The Applicant's civil engineer prepared a Preliminary Engineering Report for the Project. As a previously developed site for residential use, there is existing infrastructure to service the site. The status of individual infrastructure systems is as follows:

Water: The Department of Water Supply (DWS) manages the waterlines surrounding the Project site. There are currently 6- and 8-inch lines along Wailoa, Kapiolani, and Ululani

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streets. A letter of development intent was submitted to DWS to confirm water availability.

Sewer: According to Hawaii County, Department of Environmental Management, Wastewater Division (WWD), the current sewer capacity is sufficient to support the development of the Project. There are currently 8-inch sewer lines along Waiola and Akahi streets, and a 6-inch line along Hema Street. WWD provided a will-serve letter confirming the availability of sewer capacity for the Project.

Drainage: The Project will be required to obtain a National Pollutant Discharge Elimination System (NPDES) permit from the Hawaii Department of Health (DOH) because construction would involve work on more than one acre of land. The development will comply with the Hawaii County Storm Drainage Standards. There are existing deep dry wells in the Project area that could potentially be used to dispose of the increased runoff due to the addition of impervious area.

Electricity: The Project will be served by Hawaiian Electric Company (HECO). The area is currently in the service area of the Komohana Substation, which has sufficient capacity to serve the proposed development at 1,250 kVA. The existing Hawaii Island offsite distribution system is sufficient to support the estimated total electrical load for the Project. HECO provided a will-serve letter for the Project.

Gas: The Project may be served by Hawaii Gas. The assumptions were based on the Project using gas service for cooking and water heating loads. Hawaii Gas confirmed that their existing infrastructure in the area is presently adequate to serve the Project.

Telephone and Cable Services: Hawaiian Telcom and Spectrum provided will-serve letters to confirm the availability of their services.

4. *Visual*. The visual character of the community surrounding the Project Site is suburban/rural in nature with a mixture of row housing, single-family dwellings, and open spaces.

The Project Site is within the RD-3.75 and RS-10 zoning districts, which allows for building heights of up to 35 feet. The proposed Project buildings will be three stories and reach a maximum height of 35 feet, which will be visible from the surrounding community but is within the permitted building height.

The Project buildings will be grouped in a cluster formation with open spaces and landscaping throughout. While the current condition of the Project Site does not serve as a visual resource and does not significantly affect any view corridor, the Project will alter both street level and skyline views. See Figure 6 for a visual analysis showing the proposed Project within the context of the surrounding area.

5. Cultural, Historic and Archeological Resources. The property has undergone significant previous disturbance since the initial development of housing. The Applicant's archeological consultant prepared a Desktop Review Report for the Project Site. The Project area was formerly occupied by 24 buildings constructed in 1962, which have since been demolished and have had their structural foundations removed. Based on the literature review, no archaeological historic properties were identified within the

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proposed Project area, and a total of 19 historic properties were identified within 0.5 miles of the Project Site. Most of these historic properties are post-contact agricultural historic properties. The Desktop Review Report concluded there is a low likelihood of encountering historic properties. The Desktop Review Report will be submitted to the State Historic Preservation Division (SHPD) for review and determination as part of the HRS 6E process. The Applicant will implement any mitigation deemed necessary by SHPD.

6. Environmental Site Assessment. Soil testing in 2013 identified arsenic, mercury, and termiticides heptachlor epoxide and, chlordane present in the soil. All existing buildings on the site were demolished in 2016 and additional soil sampling and surveys were conducted in 2019 and confirmed the evidence of arsenic, mercury, and termiticides heptachlor epoxide and chlordane, exceeding Environmental Action Level (EAL) limits. To address the soil contamination, HPHA began environmental remediation work in 2020. Contaminated soils were removed from the surface of the Project Site and placed in an area identified as "Soil Management Area (SMA)" within the Project Site. After the soil removal actions, a geotextile fabric liner was placed over the entire Project Site including the SMA and covered with 1.5-2 feet of non-contaminated soil. HPHA has completed all onsite environmental remediation work for the Project Site and a Long-Term Environmental Hazard Management Plan (LT-EHMP) for the site was submitted to the DOH in March 2022. Formal acceptance and a "no further action letter" communication is anticipated from the DOH in late 2024.

The Applicant's environmental consultant prepared a Phase 1 Environmental Site Assessment (ESA) of the site. The ESA found no evidence of recognized environmental conditions (RECs), controlled recognized environmental conditions (CRECs), or significant data gaps in connection with the subject properties. Phase I ESA's third-party peer review letter recommended regulatory concurrence from DOH for the LT-EHMP with a filed deed restriction (based on future development plans) for the property to ensure that the long-term management of soil contamination is not lost with any future land transactions. It is also recommended that a site-specific Soil Management Plan be developed to include a specific Health and Safety Plan (HASP) with regulatory compliance.

- 7. Noise. The Project will cause an incremental increase in construction-related noise, but it will be temporary and is not anticipated to be significant in the surrounding area where the predominant source of noise would be vehicular traffic. If the noise emissions are above standards stipulated in HAR 11-46 (Community Noise Control), a permit will be required to regulate the permissible noise levels.
- 8. Air. The Project may have some short-term impacts on air quality in the form of fugitive dust emissions because of construction activities. Fugitive dust emissions can be mitigated by Best Management Practices, including watering of active work areas, using windscreens, keeping adjacent paved roads clean, and covering open-bodied trucks.
- 9. *Cumulative Impacts.* The Project, along with other proposed developments in the area, is not anticipated to result in significant secondary and cumulative impacts.

In addition, the Project meets the four criteria under the Type 10 exemption in the following manner:

- 1. The sole trigger for compliance with HRS 343 is the use of State funds and lands as described above.
- 2. The Project site is within the State Urban district. See Figure 3.
- 3. The Project site is designated as "High Density Urban" by the Hawaii County Land Use Pattern Allocation Map and is located within the County of Hawaii RD-3.75 Double-Family Residential and RS-10, Single-Family Residential zoning districts. See Figure 4 and Figure 5. Housing is a permitted use within these zoning districts.
- 4. The Project does not require variances for shoreline setbacks and is not in an environmentally sensitive area (as defined under HAR 11-200.1-13 (b) (11)). The Project Site:
 - a. Is approximately 0.73 miles from the nearest shoreline and it is not located within the 3.2-foot Sea Level Rise Exposure Area (See Figure 7) or Special Management Area (See Figure 8).
 - b. Is located in Flood Zone X, which is an area of minimum flood hazard risk (See Figure 9).
 - c. Does not contain any streams or wetlands (See Figure 10).
 - d. Does not include any area designated critical habitat (See Figure 11).

CONSULTATIONS

The following parties were consulted as part of the public outreach and exemption processes.

Agency / Organization	Name	Consultation Date
Hawaii County, Office of Housing	Susan Kunz, Administrator	03/13/2024
Mayor's Cabinet	Mayor's Cabinet	03/13/2024
Hawaii County, Department of Planning	Zendo Kern, Director Jeff Darrow, Deputy Director	06/14/2024
Various	Mayor Mitch Ross, Council Chair Heather Kimball, and Planning Director Zendo Kern	07/16/2024
Various	Natasha Soriano, Hans Santiago, Robyn Matsumoto, April Suprenant, OPSD staff	09/16/2024
Hawaii Department of Transportation	Ed Sniffen, Director	09/24/2024
Hawaii Department of Education	Keith Hayashi, Superintendent	09/24/2024
Hawaii Department of Health	Kenny Fink, Director	09/24/2024
Office of Planning and Sustainable Development	Mary Alice Evans, Director	09/24/2024
Hawaii County, Department of Planning	Zendo Kern, Director	09/24/2024
Hawaii County, Office of Housing	Susan Kunz, Administrator	09/24/2024
Hawaii County, Department of Public Works	Stephen Pause, Director	09/24/2024
Hawaii County, Department of Parks and Rec	Maurice Messina, Director	09/24/2024
Hawaii County, Mass Transit Agency	Victor Kandle, Administrator	09/24/2024
Town Hall Meeting	Public	09/25/2024
Hawaii County, Department of Public Works	Melanie DeMello, Malia Kekai, Keone Thompson, Robyn Matsumoto	10/07/2024

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The following comments were received during the HRS 343 comment period. Responses are provided in italics.

- 1. Hawaii Department of Transportation. The department provided the following comments:
 - a. Comment: The proposed Project is approximately 1.13 miles from the property boundary of Hilo International Airport (ITO). All projects within 5 miles from Hawaii State airports are advised to read the Technical Assistance Memorandum (TAM) for guidance with development and activities that may require further review and permits.

Response: The Applicant has reviewed the TAM for development activities within 5 miles of state airports and will follow its guidance. Development activities will be undertaken in a manner to avoid impacts on ITO operations.

b. Comment: The Project Site is approximately 6,500 feet from Runway 3 at ITO. FAA regulation requires the submittal of FAA Form 7460-1 Notice of Proposed Construction or Alteration pursuant to 14 CFR, Part 77.9, if the construction or alteration is within 20,000 feet of a public use or military airport which exceeds a 100:1 surface from any point on the runway of each airport with its longest runway more than 3,200 feet. Construction equipment and staging area heights, including heights of temporary construction cranes, shall be included in the submittal. Please provide a copy of the FAA response to the analysis to the DOT-A Planning Section.

Response: The Applicant will prepare and submit FAA Form 7640-1 to the FAA for the Project. The Applicant will provide a copy of the determination to DOT-A Planning Section.

c. Comment: Due to the proximity to ITO, the Applicant and future residents should be aware of potential noise from aircraft operations. There is also a potential for fumes, smoke, vibrations, odors, etc., resulting from occasional aircraft flight operations over or near the project location. These impacts may increase or decrease over time and are dependent on airport operations.

Response: The Project will be subject to a Part 58 NEPA Review, during which potential impacts from the proximity to ITO, including noise, fumes, smoke, vibrations, and odors from aircraft operations, will be thoroughly assessed. Appropriate mitigation measures will be implemented as needed to address and minimize any effects on future residents.

d. If a solar energy photovoltaic (PV) system is going to be installed, be aware that PV systems located in or near the approach path of aircrafts can create a hazardous condition for pilots due to possible glint and glare reflected from the PV panel array. If glint or glare from the PV array creates a hazardous condition for pilots, the owner of the PV system shall be prepared to immediately mitigate the hazard upon notification by the DOT and/or FAA.

FAA requires a glint and glare analysis for all solar energy PV systems near airports. The www.sandia.gov/glare website has information and guidance with the preparation of a glint and glare analysis. A separate FAA Form 7460-1 will be necessary for the solar energy PV system. After the FAA determination of the Form 7460-1 glint and glare analysis, a copy shall be provided to the DOT Airport Planning Section by the owner of the solar energy PV system.

Solar energy PV systems have also been known to emit radio frequency interference (RFI) to aviation-dedicated radio signals, thereby disrupting the reliability of air-to-ground communications. Again, the owner of the solar energy PV system shall be prepared to immediately mitigate the RFI hazard upon notification by the DOT and/or FAA.

Response: Currently, the plan does not include PV systems; however, the Applicant may include PV systems in some Project locations in the future. In designing any future PV system, the Applicant's design team will specify nonglint and non-glare solar panels, follow FAA guidance, prepare a glint and glare analysis, and file FAA Form 7460-1 for proposed PV systems. The Applicant acknowledges that if it is determined that its PV array creates a hazardous condition for pilots, it will take immediate action to mitigate the situation.

e. DOT requires that the Project does not provide landscape and vegetation that will create a wildlife attractant, which can potentially become a hazard to aircraft operations. Please review the FAA Advisory Circular 150/5200-33C, Hazardous Wildlife Attractants On Or Near Airports for guidance. If the Project creates a wildlife attractant, the Applicant shall immediately mitigate the hazard upon notification by the DOT and/or FAA.

Response: The Applicant has reviewed the FAA Advisory Circular 150/5200-33C, Hazardous Wildlife Attractants on or near Airports. The Circular will be shared with the Project's landscape architects, who will follow its guidance so that no landscape features will become a wildlife attractant.

- f. Comment: Describe strategies to reduce carbon emissions from the Project, if any. Suggestions include:
 - i. Providing accessible, safe, and comfortable facilities and routes for pedestrians, bicyclists, and transit riders.
 - ii. Facilitating access and growth of the multimodal transportation network in the community.
 - iii. Sustainable materials: Using sustainable, recycled, or low-emission materials in construction and manufacturing.

Response: The Applicant will make efforts to reduce carbon emissions by assessing the opportunity to provide electric vehicle stalls for residents and build to Leadership in Energy and Environmental Design standards, promoting energy efficiency and sustainability.

 Hawaii Department of Education. The department commented that residential units within an established school impact district must pay fees before obtaining a county building permit.

Response: The Project meets the definition of a "State affordable housing project" under the Governor's Ninth Proclamation Relating to Affordable Housing dated October 10, 2024 (EP). Pursuant to the EP: "State affordable housing projects or county affordable housing projects may proceed under this Proclamation." The EP suspends certain State laws for State affordable housing projects, including HRS 46-142.5, School Impact Districts; New Building Permit Requirements and HRS 302A-1601 to 1612, School Impact Fees. Therefore, the Project is not subject to school impact fees.

- 3. Hawaii Department of Health, Solid and Hazardous Waste Branch. The department provided standard comments. The Applicant acknowledges receipt of the comments.
- 4. Hawaii Department of Health, Clean Air Branch. The department provided standard comments. The Applicant acknowledges receipt of the comments
- 5. Office of Planning and Sustainable Development. The office concurred that this Project qualifies for an exemption from the preparation of an EA.

MITIGATION

The Applicant will comply with all permit conditions required to mitigate construction-related impacts. No other mitigation is necessary.

EXEMPTION DECLARATION

Potential impacts of the Project have been evaluated in accordance with the significance criteria of HAR 11-200.1-13 and a discussion of the Project's conformance to the criteria is presented below:

- 1. Irrevocably commit a natural, cultural, or historic resource. There are no known threatened or endangered species or critical habitats on the Project site. There are no known cultural, archaeological, or historic resources of significance on the Project site. In the event of unexpected discovery of archaeological or historic resources, SHPD will be notified pursuant to HAR 13-280-3.
- 2. Curtail the range of beneficial use of the environment. The Project will be implemented adjacent to existing residential developments of a similar nature, and the commitment of land resources required for the Project will not curtail the range of beneficial uses of the environment such as natural habitats, or areas of biological significance.
- 3. Conflict with the State's environmental policies or long-term goals established by law. The Project does not conflict with the policies and guidelines of HRS 343.
- 4. Have a substantial adverse effect on the economic welfare, social welfare, or cultural practices of the community and State. In the short term, construction expenditures will provide positive benefits to the local economy in the form of construction-related jobs. In

the long term, the Project will provide affordable housing opportunities for the area's residents.

- 5. Have a substantial adverse effect on public health. No identifiable adverse effects on public health or welfare are anticipated to result from the construction and operation of the Project.
- 6. Involves adverse secondary impacts, such as population changes or effects on public facilities. The Project is not anticipated to induce population growth in the State as the Project is affordable housing that can only be rented to Hawaii residents. Some redistribution of population may occur as the Project will include up to 258 more units than are currently on the site. Thus, some Hawaii residents from outside the immediate Project area may choose to relocate to the Project. Substantial impacts to public facilities are not anticipated to result from the construction and operation of the Project.
- 7. Involves a substantial degradation of environmental quality. The Project is not anticipated to substantially degrade environmental quality. Best Management Practices (BMPs) and appropriate erosion control measures will be utilized during the construction period.
- 8. Be individually limited but cumulatively have substantial adverse effect upon the environment or involves a commitment for larger actions. The Project is limited to the development of affordable housing. There are no commitments for further action beyond the scope presented within this EA Exemption Notice.
- 9. Have a substantial adverse effect on rare, threatened, or endangered species, or its habitat. The Project site is not located near critical habitats and will be adjacent to existing residential and commercial developments of a similar nature once the area is fully developed. The Project is not anticipated to substantially affect rare, threatened, or endangered species, or their habitat.
- 10. Have a substantial adverse effect on air or water quality or ambient noise levels. Construction activities will result in short-term air quality and noise impacts from the operation of construction equipment. Dust control measures, such as regular watering and sprinkling, and installation of dust screens will be implemented to minimize wind-blown emissions. Construction noise impacts will be mitigated through compliance HAR 11-46. No long-term significant impacts to air or water quality, or noise levels within the Project Site are anticipated because of the Project.
- 11. Have a substantial adverse effect on or likely to suffer damage by being located in an environmentally sensitive area such as a flood plain, tsunami zone, sea level rise exposure area, beach, erosion-prone area, geologically hazardous land, estuary, fresh water, or coastal waters. No significant impacts are anticipated as the Project site is not located within an environmentally sensitive area.
- 12. Have a substantial adverse effect on scenic vistas and view planes, during day or night, identified in county or state plans or studies. The Project will not result in significant impacts to view planes.

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13. Requires substantial energy consumption or emit substantial greenhouse gases. The Project will not require more energy than used for comparable projects.

HHFDC has considered primary, secondary, and cumulative impacts of the Project and has determined the Project is not anticipated to have significant impacts on the environment. HHFDC as the approving agency for this Project has declared this Project is exempt from the preparation of an environmental assessment.

Dur C. rele	Nov 1, 2024	
Signature of Director or Delegate	Date	_

List of Appendices:

Attachment A. Requested Exemption List and Project Summary and Impact Analysis

Figure 1 - Property Location Map

Figure 2 – Preliminary Site Plan

Figure 3 – State Land Use District Map

Figure 4 - Hawaii County Zoning Map

Figure 5 – Sea Level Rise Exposure Area Map

Figure 6 – Special Management Area Map

Figure 7 - Flood Hazard Zone Map

Figure 8 – Streams and Wetlands Map

Figure 9 – Critical Habitat Map

Figure 10 - Visual Analysis

Exhibit 11 – Typical Consultation Packet (minus exhibits listed above)

Exhibit 12 – DOT comment letter

Exhibit 13 – DOE comment letter

Exhibit 14 – DOH SHWB comment letter

Exhibit 15 – CAB comment letter

Exhibit 16 – OPSD comment letter

ATTACHMENT A.

201H-38 REQUESTED EXEMPTIONS FOR KA LEI MOMI LANAKILA HOMES AFFORDABLE HOUSING PROJECT

As a primarily 100 percent affordable housing project, HCDC Hawai'i Development LLC (Applicant) is seeking an affordable housing project approval pursuant to the Governor's Ninth Emergency Proclamation Relating to Affordable Housing dated October 10, 2024 (as may be amended). The Applicant requests exemptions from certain conditions relating to planning, zoning, construction standards for subdivisions, development and improvement of land, and the construction of dwelling units thereon.

No.	Development Standard or Requirement	Hawaiʻi County Code (HCC) Section	Requested Exemption	Rationale	Estimated Value of Exemption
1	Minimum Right-of- Way (ROW) Width and Street Cross Sections	HCC Section 23-41, Section 23-46 and Department of Public Works (DPW) Standard Details R-17.	These sections require a minimum of 50 ft. width for County ROWs on minor streets when making improvements to existing streets. An exemption is sought to allow to keep the existing 40 ft. width for Ululani Street, Akahi Street, and Hema Street within the project site. An exemption is also requested from the DPW Standard Details to allow deviation from the design standards related to sidewalk, curb and gutter, bike lanes, etc.	This exemption would allow the Applicant to maximize the number of affordable housing units available at the project site.	Not estimated.
2	Minimum Sidewalk Width	HCC Section 23-89 and DPW Standard Details R-17.	An exemption is sought from the sidewalk width requirement (8 feet) to allow on-street angled parking along Hema, Akahi, and Ululani Streets, and the sidewalk width to be a minimum of 4 feet.	This exemption would allow the Applicant to maximize the number of affordable housing units and number of parking stalls available for the project.	Not Estimated.

	Development				
	Standard or	Hawai'i County Code			Estimated Value of
No.	Requirement	(HCC) Section	Requested Exemption	Rationale	Exemption
3	Minimum Aisle Widths for Parking Bays	HCC Section 25-4-53(c).	This section of HCC requires the minimum width of 24 ft. for aisle width for perpendicular parking. Should the above exemption No. 1 (minimum County ROW width) not be approved, an exemption from the minimum aisle width of 24 ft. is requested to allow a 22 ft. aisle width.	This exemption would allow the Applicant to retain the quantity of currently proposed housing units and parking stalls as much as possible in case the requested exemption from the minimum County ROW width is not approved.	Not estimated.
4	Plan Approval	HCC Section 25-2-71.	Public uses, structures and buildings and community buildings are permitted uses in any district, but require a Plan Approval. An exemption is sought to allow construction of the proposed community rooms without a Plan Approval.	This exemption would allow timely implementation of the project.	Not estimated.
5	Density Requirement	HCC Section 25-5-5 and Section 25-5-21.	RD-3.75, Double-Family Residential district allows single or double-family dwellings and requires the minimum land area for each dwelling unit to be 3,750 s.f. RS-10, Single-Family Residential zoning district provides for low and medium density residential use and requires the minimum building site area to be in 10,000 s.f. An exemption is requested to allow 258 dwelling units (vs. 97 units allowed by zoning) for the 8.65-acre project site (approximately 1,460 s.f. per unit).	This exemption would allow the Applicant to maximize the number of affordable housing units available at the project site.	Not estimated.

	Development				
No.	Standard or Requirement	Hawaiʻi County Code (HCC) Section	Requested Exemption	Rationale	Estimated Value of Exemption
6	Development Standards for Minimum Yards	HCC Section 25-5-7 and Section 25-5-26.	An exemption is sought to build within the required minimum front yards (25 ft.), rear yard (25 ft.), and side yard (15 ft.). The proposed yards are minimum 7 ft. for front, minimum 5 ft. for rear, and minimum 5 ft. for side yards.	This exemption would allow the Applicant to maximize the number of affordable housing units and number of parking stalls available for the project.	Not estimated.
7	Permitted Uses	HCC Section 25-5-3.	RD-3.75 and RS-10 zoning districts do not allow for multi-family uses. An exemption is sought to allow for development of the proposed affordable multi-family residential community.	This exemption would allow the Applicant to maximize the number of affordable housing units available at the project site.	Not estimated.
8	Minimum Off- Street Parking Requirement	HCC Section 25-4-51.	An exemption is sought from the off-street parking requirement (one and one quarter stall for each unit for multi-family dwellings which would require 322.5 off-street parking stalls for the proposed 258 units) to allow 312 off-street parking stalls and 66 on-street angle parking stalls (a total of 378 stalls). This exemption will provide approximately 1.465 off-street and on-street parking stalls per unit. It is noted that the Applicant is coordinating with the County to confirm and finalize the breakdown of on-street angled parking and off-street parking and there may be slight changes in the final numbers.	This exemption would allow the Applicant to maximize buildable area, encouraging bike and multi-modal transportation.	Not estimated.

No.	Development Standard or Requirement	Hawaiʻi County Code (HCC) Section	Requested Exemption	Rationale	Estimated Value of Exemption
9	Off-Street Parking Standards and Improvements	HCC Section 25-4-54.	HCC requires that access to any individual parking space shall not be directly from or to a street but must be reached from onsite access driveway. An exemption is sought to allow direct access to the proposed 66 onstreet angle parking stalls off of Akahi Street, Hema Street, and Ululani Street.	This exemption would maximize the number of parking stalls at the project site.	Not estimated.
10	Dimension of Loading Spaces	HCC Section 25-4-58.	Two (2) small/large loading stalls will be provided to meet the County requirement. An exemption is sought from the loading space dimension requirements to allow the small loading stall to be 8.5 ft. x 19 ft. (vs. 10 ft. x 22 ft. per HCC) and the large loading stall to be 12 ft. x 35 ft. (vs. 12 ft. x 50 ft. per HCC).	This exemption would allow the Applicant to maximize the number of parking/loading stalls available for the project.	Not estimated.
11	Permit Fees	HCC Section 5-7-3.	An exemption is sought from Permit Fees.	The exemption will provide cost savings and will advance the affordability objectives of the project.	Approximately \$318,048 (based on construction cost estimates of \$4.0 million for horizontal construction and \$101,947,520 for vertical construction).
12	Grading Permit Fees	HCC Section 10-11.	An exemption is sought from Grading Permit Fees.	The exemption will provide cost savings and will advance the affordability objectives of the project.	\$71 (approximately 25,000 cubic yard of grading is assumed).
13	Department of Water Supply (DWS) Facility Charges	-	An exemption is sought from DWS Facility Charges.	The exemption will provide cost savings and will advance the affordability objectives of the project.	Approximately \$1,572,510 (\$6,095 per dwelling unit).

No.	Development Standard or Requirement	Hawai'i County Code (HCC) Section	Requested Exemption	Rationale	Estimated Value of Exemption
14	Raised Crosswalk Design	Department of Public Works (DPW) Standard Details for Crosswalk Designs (TR-6 through TR-6e)	The DPW Standard Details define the design of crosswalks. An exemption is sought to provide a wider raised crosswalk on Ululani Street.	A wider, raised crosswalk is provided for improved pedestrian safety and better connectivity between the large central open spaces divided by Ululani Street.	Not estimated.

GOVERNOR'S EMERGENCY PROCLAMATION RELATING TO AFFORDABLE HOUSING (AS AMENDED)

REQUESTED EXEMPTIONS FOR KA LEI MOMI LANAKILA HOMES AFFORDABLE HOUSING PROJECT

As a primarily 100 percent affordable housing project, the Applicant is also seeking suspension of certain State laws pursuant to the Governor's Ninth Emergency Proclamation Relating to Affordable Housing (as amended).

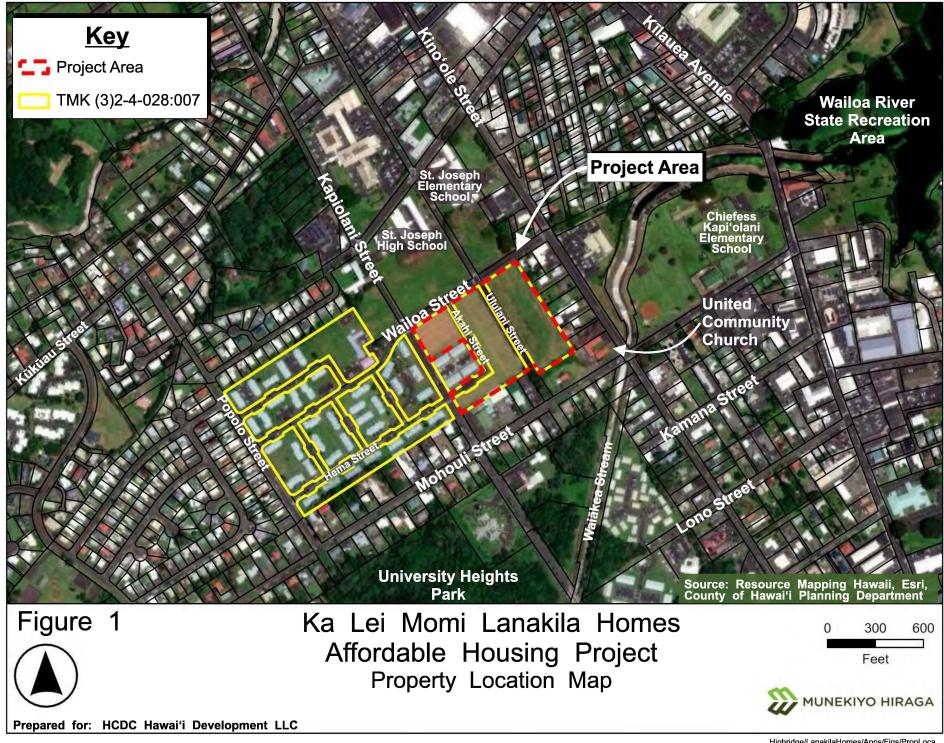
No.	Development Standard or Requirement	Hawaiʻi Revised Statutes (HRS) Section	Requested Exemption	Rationale
1	Impact Fees	Sections 46-143 and 46-136, HRS.	Exemptions from impact fees relating to wastewater connection and park dedication.	The exemption will provide cost savings and will advance the affordability objectives of the project.
2	Approval from Hawaiʻi County Council	Section 201H-38(a)(3), HRS.	The Governor's EP allows the County's planning director to approve the project, with or without modifications, within 45 days of the receipt of the Hawai'i Housing Finance and Development (HHFDC) Board's recommendation for approval.	The exemption would expedite the delivery of affordable workforce housing.

KA LEI MOMI LANAKILA HOMES AFFORDABLE RENTAL PROJECT PROJECT SUMMARY & IMPACT ANALYSIS

Location and Tax Map Key	60 Holomalia Street; Hilo, Hawaii Island. Tax Map Key: (3) 2-4-028:007(portion).
Project Site	≈ 8.65 acres
Total Units	258
Affordability	The Ka Lei Momi Lanakila Homes Affordable Rental Project (Project) will be an affordable rental housing development with nearly 100 percent of the units set aside as affordable. There will be 258 units designated as family occupancy, and 5 percent of units will be handicap accessible. The Project will remain affordable for 75 years.
	 26 units (Approximately 10%) will be set aside for households earning a maximum income of 30% of the AMI. 26 units (Approximately 10%) will be set aside for households earning a maximum income of 50% of the AMI. 204 units (Approximately 79%) will be set aside for households earning a maximum income of 60% of the AMI. 2 units (less than 1%) will be set aside as a market rate manager's unit.
Parking	378 parking stalls
Stories/Heights	Three (3)-story buildings. Approximately 35 feet high above ground level.
Requested Exemptions	As part of the Emergency Proclamation (EP) Application, the Applicant will seek exemptions from the following provisions. It is noted that the list may be updated as the Project design progresses, and the final list will be included in the 201H application.
	 Hawaii County Code (HCC) Section 5-7-3, Permit plan review fees. HCC Section 10-11, Grading permit fees. HCC Chapter 25, Zoning Code related to density, yards and open space, off-street parking and loading. Hawaii County, Department of Water Supply (DWS) Facility Charges.

RESOURCE	SUMMARY OF		
AREA	POTENTIAL IMPACTS		
LAND USE & ZONING TRAFFIC	The Project site is located within the County of Hawaii RD-3.75, Double-Family Residential and RS-10, Single-Family Residential zoning districts. Refer to Figure 4. Housing is a permitted use within these zoning districts. Vehicular access to the site will be provided along Wailoa and Kapiolani streets, both of which are two-way roads. Ululani, Hema, and Akahi streets provide circulation to the interior of the Project.		
	The Applicant's traffic engineer has prepared a Traffic Impact Assessment Report (TIAR) for the Project. The TIAR analyzed operations at six (6) study intersections in and around the Project area for three (3) scenarios: Existing (2024), Future Without (2029, 2034, 2044) Project, and Future With (2029, 2034, 2044) Project conditions. All study intersections and individual movements are projected to continue to operate at an appropriate LOS D or better and the TIAR concluded that no intersection mitigation is required.		
INFRASTRUCTURE	The Applicant's civil engineer prepared a Preliminary Engineering Report for the Project. As a previously developed site for residential use, there is existing infrastructure to service the site. The status of individual infrastructure systems is as follows:		
	Water: DWS manages the waterlines surrounding the Project site. There are currently 6- and 8-inch lines along Wailoa, Kapiolani, and Ululani streets. A letter of development intent was submitted to DWS to confirm water availability.		
	Sewer: According to Hawaii County, Department of Environmental Management, Wastewater Division (WWD), the current sewer capacity is sufficient to support the development of the Project. There are currently 8-inch sewer lines along Waiola and Akahi streets, and a 6-inch line along Hema Street. WWD provided a will-serve letter confirming the availability of sewer capacity for the Project.		
	Drainage: The Project will be required to obtain a National Pollutant Discharge Elimination System (NPDES) permit from the Hawaii Department of Health (DOH) because construction would involve work on more than one (1) acre of land. The development will comply with the Hawaii County Storm Drainage Standards. There are existing deep dry wells in the Project area that could potentially be used to dispose of the increased runoff due to the addition of impervious area.		
	Electricity: The Project will be served by Hawaiian Electric Company (HECO). The area is currently in the service area of the Komohana Substation, which has sufficient capacity to serve the proposed development at 1,250 kVA. The existing Hawaii Island off-site distribution system is sufficient to support the estimated total electrical load for the Project. HECO provided a will-serve letter for the Project.		
	Gas: The Project may be served by Hawaii Gas. The assumptions were based on the Project using gas service for cooking and water heating loads. Hawaii Gas confirmed that their existing infrastructure in the areas is presently adequate to serve the Project.		
	Telephone and Cable Services: Hawaiian Telcom and Spectrum provided will-serve letters to confirm the availability of their services.		

ENVIRONMENTAL SITE	Soil testing in 2013 identified arsenic, mercury, and termiticides heptachlor epoxide and, chlordane present in the soil. All existing buildings on the site were demolished in 2016 and additional soil sampling and surveys were conducted in 2019
ASSESSMENT	and confirmed the evidence of arsenic, mercury, and termiticides heptachlor epoxide and chlordane, exceeding Environmental Action Level (EAL) limits. To address the soil contamination, Hawaii Public Housing Authority (HPHA) began environmental remediation work in 2020. Contaminated soils were removed from the surface of the Project site and placed in an area identified as "Soil Management Area (SMA)" within the Project site. After the soil removal actions, a geotextile fabric liner was placed over the entire Project site including the SMA and covered with 1.5-2 feet of noncontaminated soil. HPHA has completed all onsite environmental remediation work for the Project site and a Long-Term Environmental Hazard Management Plan (LT-EHMP) for the site was submitted to the DOH in March 2022. Formal acceptance and a "no further action letter" communication is anticipated from the DOH in late 2024.
VIOLA	The Applicant's environmental consultant prepared a Phase 1 Environmental Site Assessment (ESA) of the site. The ESA found no evidence of recognized environmental conditions (RECs), controlled recognized environmental conditions (CRECs), or significant data gaps in connection with the subject properties. Phase I ESA's third-party peer review letter recommended regulatory concurrence from DOH for the LT-EHMP with a filed deed restriction (based on future development plans) for the property to ensure that the long-term management of soil contamination is not lost with any future land transactions. It is also recommended that a site-specific Soil Management Plan be developed to include a specific Health and Safety Plan (HASP) with regulatory compliance.
VISUAL	The visual character of the community surrounding the Project site is suburban/rural in nature with a mixture of row housing, single-family dwellings, and open spaces.
	The Project site is within the RD-3.75 and RS-10 zoning districts, which allows for building heights of up to 35 feet. The proposed Project buildings will be three (3) stories and reach a maximum height of 35 feet, which will be visible from the surrounding community but is within the permitted building height.
	The proposed Project buildings will be grouped in a cluster formation with open spaces and landscaping throughout. While the current condition of the site does not serve as a visual resource and does not significantly affect any view corridor, the Project will alter both street level and skyline views. See Figure 10 for a visual analysis showing the proposed Project within the context of the surrounding area.
CULTURAL, HISTORIC & ARCHEOLOGICAL	The property has undergone significant previous disturbance since the initial development of housing. The Applicant's archeological consultant prepared a Desktop Review Report for the Project site. The Project area was formerly occupied by 24 buildings constructed in 1962, which have since been demolished and had their structural foundations removed. Based on the literature review, no archaeological historic properties were identified within the proposed Project area, and a total of 19 historic properties were identified within 0.5 miles of the Project area. Most of these historic properties are post-contact agricultural historic properties. The Desktop Review Report concluded there is a low likelihood of encountering historic properties. The Desktop Review Report will be submitted to the State Historic Preservation Division (SHPD) for SHPD's review and determination as part of the HRS 6E process. The Applicant will implement any mitigation deemed necessary by SHPD.
AIR	The Project may have some short-term impacts on air quality in the form of fugitive dust emissions because of construction activities. Fugitive dust emissions can be mitigated by Best Management Practices, including watering of active work areas, using windscreens, keeping adjacent paved roads clean, and covering open-bodied trucks.
NOISE	The Project will cause an incremental increase in construction-related noise, but it will be temporary and is not anticipated to be significant in the surrounding area where the predominant source of noise would be vehicular traffic. If the noise emissions are above standards stipulated in HAR 11-46 (Community Noise Control), a permit will be required to regulate the permissible noise levels.
SECONDARY AND CUMULATIVE IMPACTS	The Project, along with other proposed developments in the area, is not anticipated to result in significant secondary and cumulative impacts.



DRAFT CONCEPTUAL DESIGN, SUBJECT TO CHANGE

WAILOA STREET

PROGRAM SUMMARY

(21) 12-Plex

(1) Community Building

Total Unit Count: 258

Phase I Unit Count: 152 Phase II Unit Count: 106

Unit Breakdown:

1-Bedroom: 89 (34%) 2-Bedroom: 129 (50%) 3-Bedroom: 40 (16%)

Phase I

1-Bedroom: 50 (33%) 2-Bedroom: 76 (50%) 3-Bedroom: 26 (17%)

Phase II

1-Bedroom: 39 (37%) 2-Bedroom: 53 (50%) KAPIOLANI STREET

Phase I

Community Building w/ 2-Story Resid. Above

Parking HEMA STREET

3-Bedroom: 14 (13%)

Total Parking Count: 378

(1.46 Stalls / Unit)

Off-Street Parking Count: 312 On-Street Parking Count: 66

* Street parkings provided on existing parking pullouts at Hema Street and Akahi Street:

Proposed angled street parkings on Ululani Street;

On-street parkings to be included in the total parking requirement for the residents.

Source: Design Partners, Inc.

Figure 2



Ka Lei Momi Lanakila Homes Affordable Housing Project Preliminary Site Plan

Not To Scale

Topo Line

Phase II

Community Room

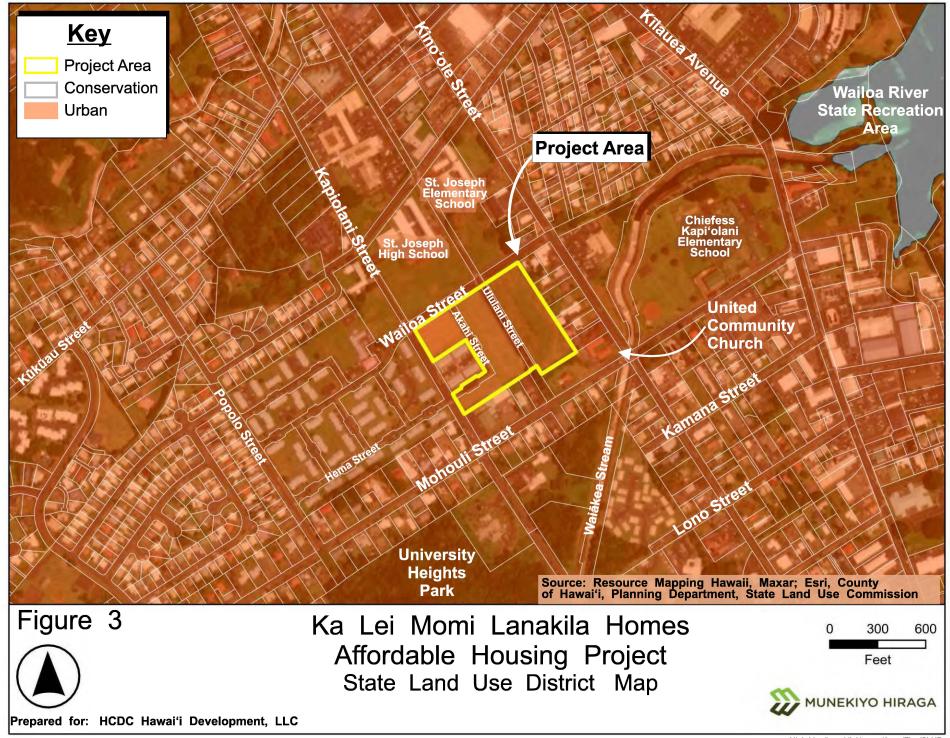
on Ground Floor

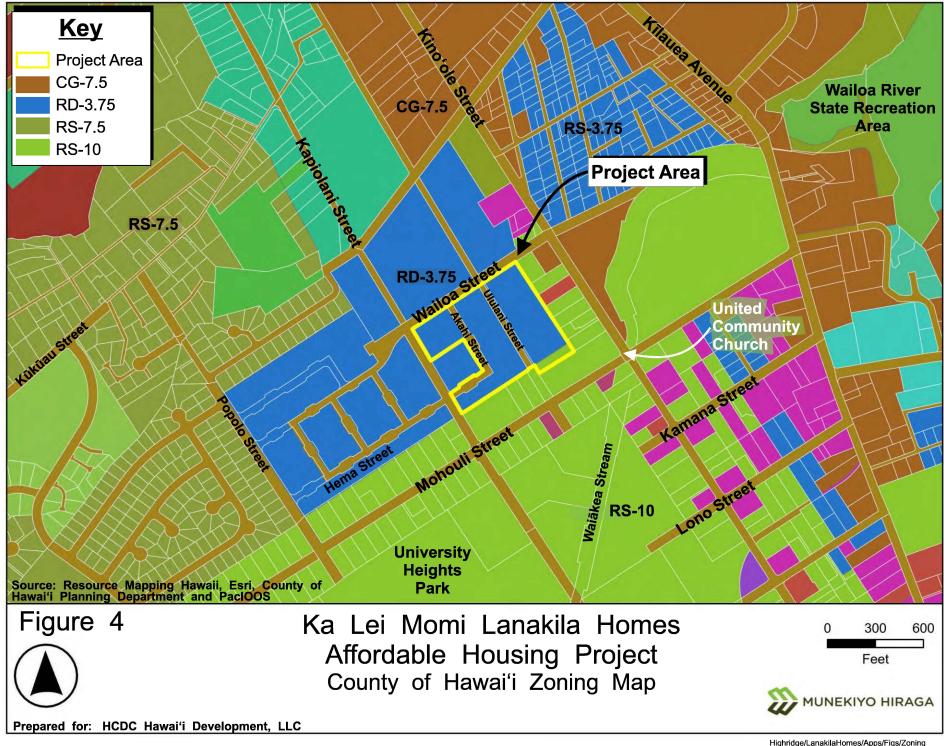
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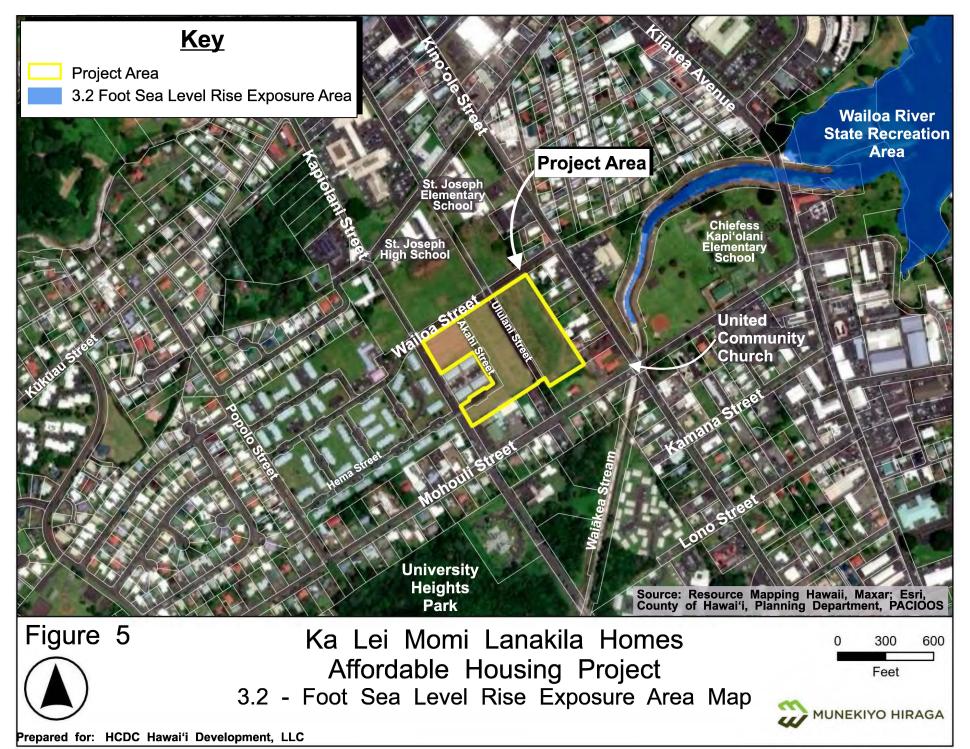


Prepared for: HCDC Hawai'i Development, LLC

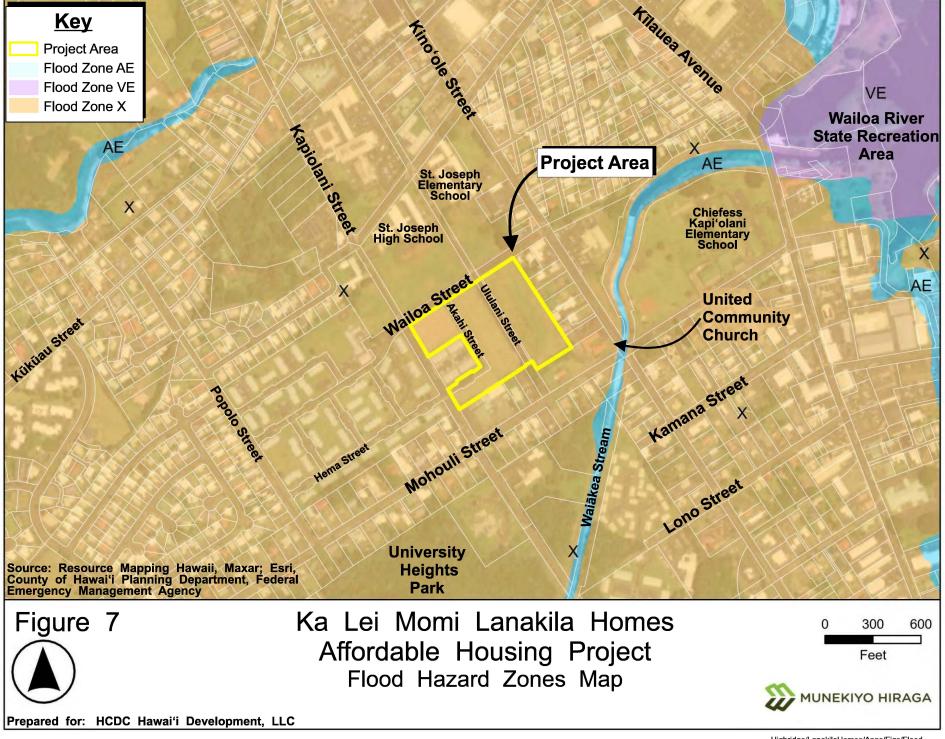


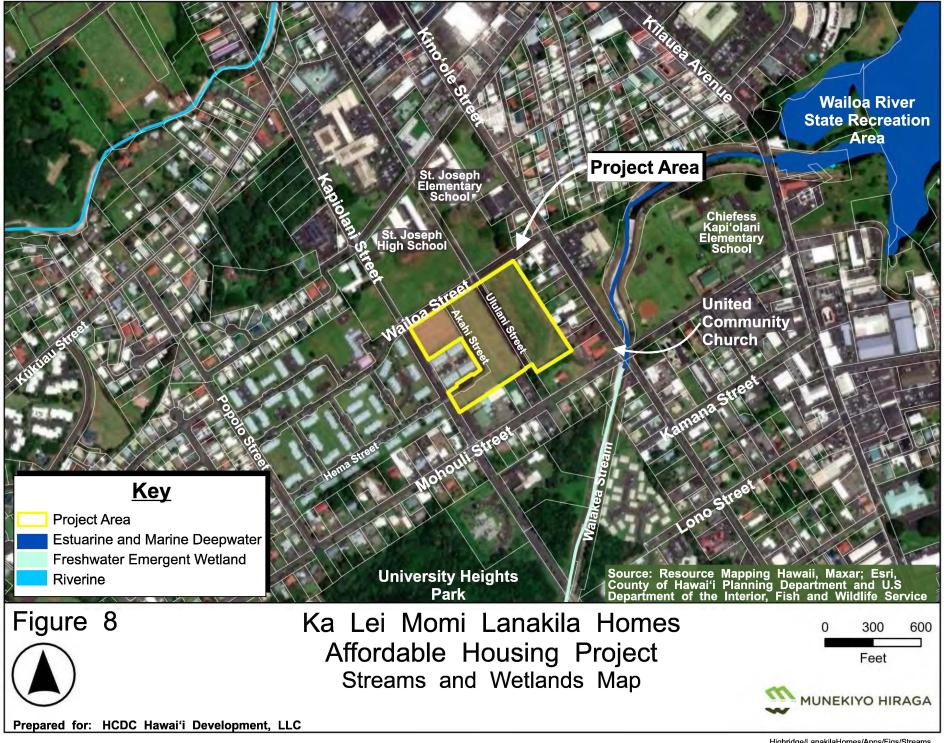












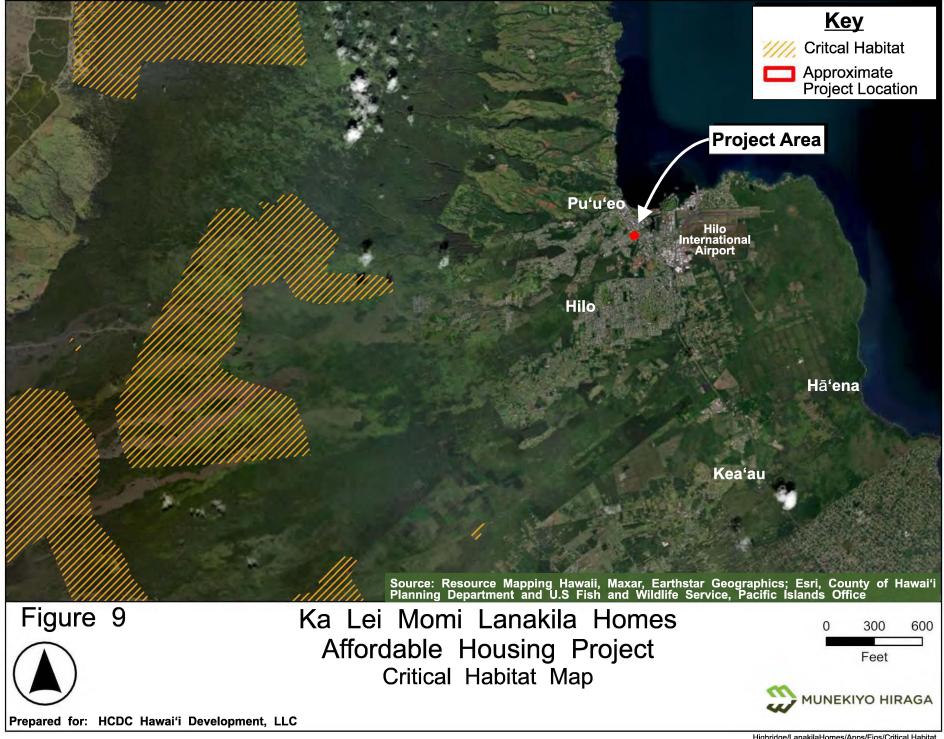




Figure 10

Ka Lei Momi Lanakila Homes Affordable Housing Project Visual Analysis

NOT TO SCALE





JOSH GREEN, M.D. GOVERNOR

SYLVIA LUKE



DEAN MINAKAMIEXECUTIVE DIRECTOR

STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION

IN REPLY REFER TO: 24:PECB/105

677 QUEEN STREET, SUITE 300 HONOLULU, HAWAII 96813 FAX: (808) 587-0600

September 24, 2024

Mr. Ed Sniffen, Director Hawaii Department of Transportation 869 Punchbowl Street Honolulu, Hawaii 96813

Dear Mr. Sniffen:

Subject: Consultation for an Environmental Assessment Exemption

Ka Lei Momi Lanakila Homes Affordable Housing Project

60 Holomalia Street, Hilo, Hawaii Island Tax Map Key: (3) 2-4-028:007 (por)

In accordance with the State guidelines for preparing environmental review documents, the Hawaii Housing Finance and Development Corporation (HHFDC) is consulting with entities having jurisdiction or expertise to determine whether the Ka Lei Momi Lanakila Homes Affordable Housing Project (Project) may be exempt from the preparation of an Environmental Assessment (EA) pursuant to the administrative rules promulgated under the authority of Chapter 343-6(5), Hawaii Revised Statutes (HRS); and under Sections 11-200.1-15, 11-200.1-16, and 11-200.1-17, Hawaii Administrative Rules (HAR). HHFDC seeks your input on the subject Project by October 23, 2024, to make this determination.

The Project site is owned by the State of Hawaii, under the jurisdiction of the Hawaii Public Housing Authority (HPHA). In partnership with HCDC Hawaii Development, LLC (HCDC or the Applicant), an entity controlled by Highridge Costa Development Company, HPHA is proposing to construct the Ka Lei Momi Lanakila Homes Affordable Housing Project (Project), which will be a new 258-unit affordable multi-family rental development on approximately 8.65 acres of vacant land in Hilo (See Figure 1). The Project site previously had multifamily buildings, which were demolished and cleared. It is currently vacant. HPHA has executed a Master Planning and Predevelopment Agreement with HCDC for this Project.

Mr. Ed Sniffen September 24, 2024 Page 2

The Project is located at 60 Holomalia Street, which is located mauka of Hilo Bay. Vehicular access to the interior of the Project site is provided via Wailoa and Kapiolani streets, and the Project site contains the existing, two-way, undivided Ululani, Akahi, and Hema streets, all of which are Hawaii County rights-of-way.

The Applicant will build 22, three (3)-story garden-style walkup buildings (with two (2) of the buildings containing community rooms on the first floor), 378 parking stalls, and amenities such as a children's playground, dog parks, laundry facilities, and community gathering areas. The overall parking ratio is 1.46 spaces per unit. It is noted that the Project will be developed in two (2) phases, with Phase I containing 152 units and Phase II containing 106 units. It is noted that each phase will have a 2-bedroom manager's unit. See Figure 2.

Unit Type	Phase I	Phase II	Total
1-Bedroom	50 Units (33%)	39 Units (37%)	89 Units (34%)
2-Bedroom	76 Units (50%)	53 Units (50%)	129 Units (50%)
3-Bedroom	26 Units (17%)	14 Units (13%)	40 Units (16%)
Subtotal	152 Units (100%)	106 Units (100%)	258 Units (100%)

The maximum building height will be up to 35 feet above ground level. The Project will include approximately 7.37 acres of open space, inclusive of a large park area in the central area of the Project site. The Project will also provide seven (7) bike storage facilities across the Project site.

The Applicant commits to the following income and affordability restrictions listed below for a period of 75 years.

Restricted at the Area Median Income (AMI)	Number of Units	Approximately Percent of Total Units
30% of the AMI	26 Units	10%
50% of the AMI	26 Units	10%
60% of the AMI	204 Units	79%
Total Affordable Units	256 Units	Greater than 99%
Manager Units	2 Units	Less than 1%
Total Number of Units	258 Units	100%

HCDC will seek Low-Income Housing Tax Credits to partially finance the project. In addition, HCDC will seek financing from the Rental Housing Revolving Fund, and/or other State financing programs. As such, HHFDC will be the approving agency for HRS 343 compliance because of the use of the State funds. In addition, Low-Income Housing Tax Credits will be sought to complement State financing.

HCDC is preparing an application to HHFDC for the Project to be approved as a certified affordable housing project under the Governor's Eighth Proclamation Relating to Affordable Housing dated August 15, 2024 (the EP), as may be succeeded by a similar emergency proclamation.

Mr. Ed Sniffen September 24, 2024 Page 3

The Applicant will seek exemptions from certain conditions relating to planning, zoning, construction standards for subdivisions, development, and improvement of land, and the construction of dwelling units thereon – see Project Summary for a list of exemptions.

HHFDC believes the Project may be declared exempt from the preparation of an Environmental Assessment based on HHFDC's comprehensive exemption list¹, which mirrors and exceeds the exemption criteria for the demolition of structures and affordable housing projects under HAR 11-200.1-15(c).

EXEMPTION TYPE 10: New construction of affordable housing, where affordable housing is defined by the controlling law applicable for the State or County proposing agency or approving agency, that meets the following:

A. Has the use of State or County lands or funds or is within Waikiki as the sole triggers for compliance with HRS 343;

Analysis: Applicable. The sole trigger for compliance with HRS 343 is the use of State or County lands and funds as described above.

B. As proposed conforms with the existing state urban land classification;

Analysis: Applicable. The Project site is within the State Urban district (See Figure 3).

C. As proposed is consistent with the existing County Zoning classification provided that allows housing;

Analysis: Applicable. The Project site is located within the County of Hawaii RD-3.75 Double-Family Residential and RS-10, Single-Family Residential zoning districts. See Figure 4. Housing is a permitted use within these zoning districts.

D. As proposed does not require variances for shoreline setbacks or siting in an environmentally sensitive area, as stated in HAR 11-200.11-13(b)(11).

Analysis: The Project does not require variances for shoreline setbacks and is not in an environmentally sensitive area. The Project site:

a. Is approximately 0.73 miles from the nearest shoreline and it is not located within the 3.2-foot Sea Level Rise Exposure Area (See Figure 5) or Special Management Area (See Figure 6).

¹ As concurred in by the Environmental Advisory Council on November 1, 2022, see: https://files.hawaii.gov/dbedt/erp/Agency_Exemption_Lists/State-Hawaii-Housing-and-Finance-Development-Corporation-2022-11-01-Exemption-List.pdf

- b. Is located in Flood Zone X, which is an area of minimum flood hazard risk (See Figure 7).
- c. Does not contain any streams or wetlands (See Figure 8).
- d. Does not include any area designated critical habitat (See Figure 9).

Part 2 Actions — Development of affordable housing provided pre-assessment consultations were conducted to determine the appropriateness of preparing an exemption notice or requiring an environmental assessment.

2. Construct multi-family residential units including, but not limited to, grading; roadway and traffic systems; utility systems; dwelling units; landscaping; and ancillary facilities; provided all applicable approvals and administerial permits are obtained.

Analysis: The Project is a multi-family affordable rental housing development.

All applicable approvals and administerial permits will be obtained, including grading, roadway and traffic systems, utility systems, dwelling units, landscaping, and ancillary facilities.

Attached is a Project summary and impact analysis, which provides additional details.

If you have any questions, please have your staff contact Mr. Dean Watase, Housing Planning Manager, at (808) 587-0639 or by email at dean.k.watase@hawaii.gov.

Sincerely,

Chris Woodard Chief Planner

Attachment

JOSH GREEN, M.D. GOVERNOR KE KIA'ĀINA

Exhibit 12



STATE OF HAWAI'I | KA MOKU'ĀINA 'O HAWAI'I DEPARTMENT OF TRANSPORTATION | KA 'OIHANA ALAKAU 869 PUNCHBOWL STREET

869 PUNCHBOWL STREET HONOLULU, HAWAII 96813-5097

October 21, 2024

EDWIN H. SNIFFEN DIRECTOR KA LUNA HOʻOKELE

Deputy Directors Nā Hope Luna Hoʻokele DREANALEE K. KALILI TAMMY L. LEE CURT T. OTAGURO ROBIN K. SHISHIDO

IN REPLY REFER TO

DIR 0000943 STP 8.3842

VIA EMAIL: dean.k.watase@hawaii.gov

TO: JAMES KUNANE TOKIOKA, DIRECTOR

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND

TOURISM

THROUGH: DEAN MINAKAMI, EXECUTIVE DIRECTOR

HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION

FROM: EDWIN H. SNIFFEN

DIRECTOR OF TRANSPORTATION

SUBJECT: CONSULTATION FOR AN ENVIRONMENTAL ASSESSMENT

EXEMPTION

KA LEI MOMI LANAKILA HOMES AFFORDABLE HOUSING

PROJECT

HILO, HAWAII ISLAND, HAWAII

TAX MAP KEY: (3) 2-4-028: 007 (PORTION)

Thank you for your letter, dated September 24, 2024, requesting the Hawaii Department of Transportation's (HDOT) review and comments on the subject project. HDOT understands that the Hawaii Public Housing Authority is proposing to construct a new 258-unit affordable multi-family rental development on approximately 8.65 acres of vacant land in Hilo.

HDOT has the following comments:

- 1. The proposed residential project is approximately 1.13 miles from the property boundary of the Hilo International Airport (ITO). All projects within 5 miles from Hawaii State airports are advised to read the <u>Technical Assistance Memorandum (TAM)</u> for guidance with development and activities that may require further review and permits. The TAM can be viewed at this link: http://files.hawaii.gov/dbedt/op/docs/TAM-FAA-DOT-Airports_08-01-2016.pdf.
- 2. The project site is approximately 6,500 feet from the end of Runway 3 at ITO. Federal Aviation Administration (FAA) regulation requires the submittal of FAA Form 7460-1 Notice of Proposed Construction or Alteration pursuant to the <u>Code of Federal Regulations</u>. <u>Title 14</u>, <u>Part 77.9</u>, if the construction or alteration is within 20,000 feet of a public use or

military airport which exceeds a 100:1 surface from any point on the runway of each airport with its longest runway more than 3,200 feet. Construction equipment and staging area heights, including heights of temporary construction cranes, shall be included in the submittal. The form and criteria for submittal can be found at the following website: https://oeaaa.faa.gov/oeaaa/external/portal.jsp. Please provide a copy of the FAA response to the Part 77 analysis to the HDOT Airport Planning Section.

- 3. Due to the project's proximity to ITO, the applicant and future residents should be aware of potential single-event noise from aircraft operations. There is also potential for fumes, smoke, vibrations, odors, etc., resulting from occasional aircraft flight operations over or near the project. These incidences may increase or decrease over time and depend on airport operations.
- 4. If a solar energy photovoltaic (PV) system is going to be installed, be aware that PV systems located in or near the approach path of aircrafts can create hazardous conditions for pilots due to possible glint and glare reflected from the PV panel array. If glint or glare from the PV array creates a hazardous condition for pilots, the owner of the PV system shall be prepared to immediately mitigate the hazard upon notification by the HDOT and/or FAA.

The FAA requires a glint and glare analysis for all solar energy PV systems near airports. The http://www.sandia.gov/glare website has information and guidance with the preparation of a glint and glare analysis. A FAA Form 7460-1 will be necessary for the solar energy PV system. After the FAA determination of the Form 7460-1 glint and glare analysis, a copy shall be provided to the HDOT Airport Planning Section by the owner of the solar energy PV system.

Solar energy PV systems have also been known to emit radio frequency interference (RFI) to aviation-dedicated radio signals, thereby disrupting the reliability of air-to-ground communications. Again, the owner of the solar energy PV system shall be prepared to immediately mitigate the RFI hazard upon notification by the HDOT and/or FAA.

- 5. The proposed project shall not provide landscape and vegetation that will create a wildlife attractant, which can potentially become a hazard to aircraft operations. Please review the FAA Advisory Circular 150/5200-33C, Hazardous Wildlife Attractants On Or Near Airports for guidance. If the project's landscaping creates a wildlife attractant, the developer shall immediately mitigate the hazard upon notification by the HDOT and/or FAA.
- 6. Describe strategies to reduce carbon emissions from the project, if any. Suggestions include:
 - a. Providing accessible, safe, and comfortable facilities and routes for pedestrians, bicyclists, and transit riders.

- b. Facilitating access and growth of the multimodal transportation network in the community.
- c. Sustainable materials: Using sustainable, recycled, or low-emission materials in construction and manufacturing.

Please submit any subsequent land use entitlement-related requests for review or correspondence to the HDOT Land Use Intake email address at DOT.LandUse@hawaii.gov.

If there are any questions, please contact Mr. Blayne Nikaido, Planner, Land Use Section of the HDOT Statewide Transportation Planning Office at (808) 831-7979 or via email at blayne.h.nikaido@hawaii.gov.



STATE OF HAWAI'I DEPARTMENT OF EDUCATION KA 'OIHANA HO'ONA'AUAO

P.O. BOX 2360 HONOLULU, HAWAI'I 96804

OFFICE OF FACILITIES AND OPERATIONS

October 23, 2024

Mr. Chris Woodard Chief Planner Hawaii Housing Finance and Development Corporation 677 Queen Street, Suite 300 Honolulu, Hawaii 96813

Re: Consultation for an Environmental Assessment Exemption
Ka Lei Momi Lanakila Homes Affordable Housing Project, 60 Holomalia Street,
Hilo, Hawaii Island, Tax Map Key No.: (3)2-4-028:007 (por)

Dear Mr. Woodward:

Thank you for your letter dated September 24, 2024. The Hawaii State Department of Education (Department) has reviewed the information provided and has the following comment for the Ka Lei Momi Lanakila Homes Affordable Housing Project (Project).

The Department has determined that the proposed Project is expected to serve Kapiolani Elementary, Hilo Intermediate, and Hilo High Schools. As the project secures its entitlements, the Department would like to request consultation with the Applicant on the development timeline and its potential impact on school capacity.

Should you have any questions, please contact Cori China of the Facilities Development Branch, Planning Section, at (808) 784-5080 or via email at cori.china@k12.hi.us.

We appreciate the opportunity to comment.

Sincerely,

Roy Keda

Interim Public Works Manager

RI:ctc

c: Facilities Development Branch

Exhibit 14

Solid and Hazardous Waste Branch Standard Comments

October 11, 2024

The Solid and Hazardous Waste Branch administers programs in the areas of:

- 1) Management of hazardous waste;
- 2) Management of solid waste; and
- 3) Regulation of underground storage tanks.

Our general comments on projects are below. For further information about these programs, please contact the Solid and Hazardous Waste Branch at (808) 586-4226. All chapters of the Hawaii Revised Statutes (HRS) are at https://www.capitol.hawaii.gov/hrscurrent/.

Hazardous Waste Program

• The state regulations for hazardous waste and used oil are in chapters 11-260.1 to 11-279.1, Hawaii Administrative Rules (HAR) [https://health.hawaii.gov/shwb/hazwaste/hwrules/]. These rules apply to the identification, handling, transportation, storage and disposal of regulated hazardous waste and used oil. Generators, transporters and treatment, storage, and disposal facilities of hazardous waste and used oil must adhere to these requirements. Violations are subject to penalties under chapter 342J, HRS.

Solid Waste Section

- The Solid Waste Section (SWS) enforces laws and regulations contained in chapters 342H and 342I, HRS, and chapter 11-58.1, HAR, "Solid Waste Management Control" [http://health.hawaii.gov/shwb/solid-waste/].
- The purpose of the rules is to establish minimum standards governing the design, construction, installation, operation, and maintenance of solid waste disposal, recycling, reclamation and transfer systems.
- All facilities that accept solid wastes are required to obtain a solid waste management permit
 from the SWS. Examples of the types of facilities governed by these regulations include
 landfills, transfer stations and convenience centers, recycling facilities, composting facilities,
 and salvage facilities. Medical waste, infectious waste, and foreign waste treatment facilities
 are also included.
- Generators of solid waste are required to ensure that their wastes are properly delivered to
 permitted solid waste management facilities. Managers of construction and demolition
 projects should require their waste contractors to submit disposal receipts and invoices to
 ensure proper disposal of wastes.

Solid and Hazardous Waste Branch Standard Comments

Office of Solid Waste Management

- The Office of Solid Waste Management (OSWM) administers statewide integrated solid waste management planning activities, which apply to the counties, as well as various recycling programs, e.g. the Glass Advance Disposal Fee (ADF) and Deposit Beverage Container (DBC) Programs. Management of the DBC Program is conducted pursuant to chapter 342G, HRS, which contains compliance and enforcement provisions, and chapter 11-282, HAR, "Deposit Beverage Recycling" [http://health.hawaii.gov/hi5/rules-regulations-additional-links/]. OSWM is also responsible for limited enforcement and compliance of solid waste management facilities that operate primarily as certified DBC redemption centers pursuant to chapter 342H, HRS, and chapter 11-58.1, HAR, "Solid Waste Management Control" [http://health.hawaii.gov/shwb/solid-waste/]. Authority for the integrated solid waste management planning and ADF programs is contained in chapter 342G, HRS.
- Glass Advance Disposal Fee Program: Businesses that import glass containers into Hawaii are required to register with the Department of Health and pay a 1.5 cent per container fee. Fee revenue is distributed to the counties for the operation of glass recycling programs.
- Deposit Beverage Container Program: Business that manufacture or import deposit beverage
 containers into Hawaii are required to register with the Department of Health and pay the five
 cent deposit and one cent container fee on each deposit container. Deposits and fees are
 deposited into a special fund and are used to reimburse DBC redemption center refunds paid
 to consumers; and to pay handling fees to redemption/recycling companies to process and
 recycle collected deposit beverage containers; and to pay program administrative costs.
- The Department of Health reimburses and pays an associated handling fee for the redemption of deposit beverage containers (DBC). These transactions are conducted only with certified redemption centers. Certification requires obtaining a solid waste management permit from the SWS (which addresses environmental issues) and a certification from the DBC program (which standardizes the redemption process).
- Chapter 342G, HRS, encourages the reduction of waste generation, reuse of discarded
 materials, and the recycling of solid waste. Businesses, property managers and developers,
 and government entities are highly encouraged to develop solid waste management plans to
 ensure proper handling of wastes and divert recyclables from being landfilled.
- Solid waste management plans seek to maximize waste diversion and minimize disposal.
 Such plans should include designated areas to promote the collection of reusable and recyclable materials.

Solid and Hazardous Waste Branch Standard Comments

Underground Storage Tank Program

- The state's underground storage tank (UST) regulations, found in chapter 11-280.1, HAR [http://health.hawaii.gov/shwb/underground-storage-tanks/], include specific requirements that UST owners and operators must meet when installing, operating, and permanently closing their UST systems and addressing releases from USTs. Violations are subject to penalties under chapter 11-280.1, HAR, and chapter 342L, HRS.
- A permit is required prior to the installation and operation of a UST. Any new UST system that will be installed must have secondary containment with interstitial monitoring. Refer to subchapters 2, 3, 4, and 12 of chapter 11-280.1, HAR. The installation permit expires 1 year from the date of issuance. The operation permit expires 5 years from the date of issuance.
- §11-280.1-50, HAR, requires owners and operators of USTs or tank systems to notify DOH within twenty-four (24) hours and follow the procedures in §11-280.1-52, HAR, if any of the following occur, with specific exceptions found in the rules:
 - 1) The discovery by any person of evidence of regulated substances which may have been released at the UST site or in the surrounding area (such as the presence of free product or vapors in soils, basements, sewer and utility lines, or nearby surface water);
 - 2) Unusual UST system operating conditions observed or experienced (such as the erratic behavior of product dispensing equipment, the sudden loss of product from the UST, or an unexplained presence of water in the tank); or
 - 3) Monitoring results from a release detection method required under §§11-280.1-41 or 11-280.1-42 indicate a release may have occurred.
- For release response actions, responsible parties and their consultants and contractors should not only follow the applicable regulations, but also the Department of Health Hazard Evaluation Emergency (HEER) Office Technical Guidance Manual, HEER Environmental Action Level (EAL) guidance, and other guidance documents on the DOH HEER Office website [https://health.hawaii.gov/heer/], including those pertaining to Multi-Increment Sampling of soil, low flow groundwater sampling, soil vapor sampling, and Environmental Hazard Evaluations (EHE)/Environmental Hazard Management Plans (EHMP).

Exhibit 15

Standard Comments for Land Use Reviews Clean Air Branch Hawaii State Department of Health July 3, 2024

All project activities shall comply with Hawaii Administrative Rules (HAR), Chapter 11-59 and 11-60.1.

If your proposed project:

Requires an Air Pollution Control Permit

- You must obtain an air pollution control permit from the Clean Air Branch and comply
 with all applicable conditions and requirements. If you do not know if you need an air
 pollution control permit, please contact the Permitting Section of the Clean Air Branch.
- Permit application forms can be found here: https://health.hawaii.gov/cab/permit-application-forms/

Has the potential to generate fugitive dust

- You must reasonably control the generation of all airborne, visible fugitive dust. Note that construction activities that occur near existing residences, businesses, public areas and major thoroughfares exacerbate potential dust concerns. It is recommended that a dust control management plan be developed which identifies and mitigates all activities that may generate airborne, visible fugitive dust. The plan, which does *not* require Department of Health approval, should help you recognize and minimize potential airborne, visible fugitive dust problems.
- Construction activities must comply with the provisions of Hawaii Administrative Rules, §11- 60.1-33 on Fugitive Dust. In addition, for cases involving mixed land use, it is strongly recommended that buffer zones be established, wherever possible, in order to alleviate potential dust concerns.
- You must provide reasonable measures to control airborne, visible fugitive dust from the road areas and during the various phases of construction. These measures include, but are not limited to, the following:
 - Planning the different phases of construction, focusing on minimizing the amount of airborne, visible fugitive dust-generating materials and activities, centralizing on-site vehicular traffic routes, and locating potential dust-generating equipment in areas of the least impact;
 - Providing an adequate water source at the site prior to start-up of construction activities;
 - Landscaping and providing rapid covering of bare areas, including slopes, starting from the initial grading phase;
 - Minimizing airborne, visible fugitive dust from shoulders and access roads;
 - Providing reasonable dust control measures during weekends, after hours, and prior to daily start-up of construction activities; and
 - Controlling airborne, visible fugitive dust from debris being hauled away from the project site.
- If you have questions about fugitive dust, please contact the Enforcement Section of the Clean Air Branch. Please also see fugitive dust fact sheet at: https://health.hawaii.gov/cab/files/2024/02/Hawaii-Fugitive-Dust-Fact-Sheet-February-2024.pdf.

<u>Includes construction, demolition, or renovation activities that involve potential asbestos</u> and lead containing materials

 Please contact the Indoor and Radiological Health Branch at (808) 586-4700 or visit: https://health.hawaii.gov/irhb/

Increases the population and potential number of vehicles in an area

- The creation of apartment buildings, complexes, and residential communities may increase the overall population in an area. Increasing the population in an area may inadvertently lead to more air pollution via vehicle exhaust. Vehicle exhaust releases pollutants in the air that can negatively impact human health and air quality, including lung irritants, carcinogens, and greenhouse gases.
- Ensure that drivers keep vehicle idling times to three (3) minutes or less.
- Consider and incorporate support for alternative transportation options such as bike racks and/or electric vehicle charging stations where possible.

If you have any questions, please contact the Clean Air Branch at (808) 586-4200 or at cab@doh.hawaii.gov.

Exhibit 16

Watase, Dean K

From: DBEDT State Planning

Sent: Wednesday, October 2, 2024 3:24 PM **To:** Woodard, Christopher; Watase, Dean K

Cc: Balassiano, Katia

Subject: Consultation for an EA Exemption; Ka Lei Momi Lanakila Homes Affordable Housing

Project; TMK: (3) 2-4-028:007 (por)

Sending on behalf of Katia Balassiano, Planning Program Administrator, Office of Planning & Sustainable Development

Aloha,

Thank you for the opportunity to provide input on the Lanakila Homes Project. The Office of Planning and Sustainable Development concurs; the Project appears to qualify for an exemption from the preparation of an Environmental Assessment pursuant to Chapter 343-6(5) HRS and various sections of the Administrative Rules.

Mahalo,

Katia Balassiano katia.balassiano@hawaii.gov (808) 587-2885

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STATE OF HAWAI'I
OFFICE OF PLANNING & SUSTAINABLE DEVELOPMENT

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