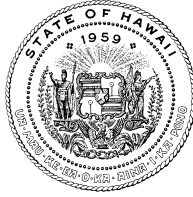


JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



DEAN MINAKAMI
EXECUTIVE DIRECTOR

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

IN REPLY REFER TO:
25:PECB/15

February 21, 2025

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
Kehalani Apartments
254 Kehalani Village Drive; Wailuku, Maui
Tax Map Key: (2) 3-5-001:063-0006

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.

Kehalani Affordable, LLC is proposing to build an affordable multi-family rental project on a one-acre vacant parcel located at 254 Kehalani Village Drive, Wailuku. The Project will include a single three-story residential building and provide a total of 35 housing units, with 16 one-bedroom units, 16 two-bedroom units, and 3 three-bedroom units.

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,

Dean Minakami
Executive Director

Attachment

KEHALANI APARTMENTS

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)

AGENCY 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 11-200.1-9.

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 administrative 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 Kehalani Affordable, LLC (Applicant); 2005 Main Street; Wailuku, HI 96793. The approving agency of this exemption notice is the Hawaii Housing Finance and Development Corporation (HHFDC).

Project Name & Address/Location: The Kehalani Apartments (Project) is located at 254 Kehalani Village Drive; Wailuku, Maui 96793 (Project Site).

Estimated Construction Schedule: Construction start: May 2026 / Construction completion: July 2027.

Tax Map Key (TMK) and latitude/longitude coordinates (in decimal degrees): TMK: (2) 3-5-001:063-0006; Coordinates: 20°52'24.12"N, 156°30'6.11"W

Anticipated Permits, Approvals, and Notifications:

Permitting Agency	Permit Type
Maui County	Development plan review (Maui County Planning Department) Building permit (Maui County Development Services Administration, Department of Water Supply, Department of Environmental Management, Fire Department)
State of Hawaii	ADA Coordination (DCAB) Chapter 6E, HRS (SHPD) if required by Maui County, Development Service Administration

NARRATIVE

Kehalani Affordable, LLC (Applicant) is proposing to build an affordable multi-family rental project on a one-acre vacant parcel located at 254 Kehalani Village Drive, Wailuku (See Exhibit 1). The Project site is located within Kehalani Village Center, which is a mixed-use development consisting of spatial condominium units where each unit owner constructs their own building.

The Project is planned as an affordable rental project. It will include a single three-story residential building and provide a total of 35 housing units, with 16 one-bedroom units, 16 two-bedroom units, and 3 three-bedroom units. The maximum building height will be up to 35 feet above ground level.

The Applicant will commit to set aside all units based on the following income listed below for a minimum of 61 years.

Restricted at the Area Median Income (AMI)	One Bedroom Units	Two Bedroom Units	Three Bedroom Units	Total Units
30% of the AMI	4	0	0	4
60% of the AMI	12	16	3	31
Total Units	16	16	3	35

The Project will have a total of 58 on-grade surface parking stalls. Direct ingress and egress to the Project will be through Kehalani Village Drive. Kehalani Village Drive connects to Waiale Road, Kaupo Street, and Kuikahi Drive at three separate intersections. Nearly one-third of the

site will be a dedicated green space and picnic area providing a common gathering place for residents and will enhance the sense of community. With the Project being located in Kehalani Village Center, residents will have walking access to a major grocery store, drugstore, banks, restaurants, and coffee stores. In addition, residents will also have access to multiple walking trails, bike paths, parks, and Puu Kukui Elementary School, which are all located within the Wailuku Project District 3 (Kehalani).

The Applicant will seek Low-Income Housing Tax Credits to partially finance the project. In addition, the Applicant will seek Rental Housing Revolving Fund and/or other State funding sources. As such, HHFDC will be the approving agency for HRS 343 compliance because of the potential use of these State financing programs. The applicant has also applied to the County of Maui for affordable housing funding for this project.

The Applicant will seek Low-Income Housing Tax Credits to partially finance the project. In addition, the Applicant 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.

ENVIRONMENTAL ANALYSIS

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

	Not Applicable
<input checked="" type="checkbox"/> Land Use and Zoning Conformance	<input type="checkbox"/>
<input checked="" type="checkbox"/> Traffic (Vehicles, Bicycles, Pedestrian)	<input type="checkbox"/>
<input checked="" type="checkbox"/> Infrastructure (Roads, Building, Utilities)	<input type="checkbox"/>
<input checked="" type="checkbox"/> Social-Economic	<input type="checkbox"/>
<input checked="" type="checkbox"/> Public Health and Safety	<input type="checkbox"/>
<input type="checkbox"/> Recreational Resources	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/> Cultural, Historic, and Archeological Resources	<input type="checkbox"/>
<input checked="" type="checkbox"/> Visual and Aesthetic Resources	<input type="checkbox"/>
<input type="checkbox"/> Terrestrial and Avian Resources	<input checked="" type="checkbox"/>
<input type="checkbox"/> Surface and Ground Water Resources	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/> Wetlands, Floodplains, and Riparian/Coastal Resources	<input type="checkbox"/>
<input checked="" type="checkbox"/> Air Quality Pollutant Emissions	<input type="checkbox"/>
<input checked="" type="checkbox"/> Noise Emissions	<input type="checkbox"/>
<input type="checkbox"/> Solid, Hazardous, and Liquid Waste Emissions	<input checked="" type="checkbox"/>
<input type="checkbox"/> Other	<input checked="" type="checkbox"/>

Relevant environmental analysis of the Project is provided below:

1. *Land Use and Zoning.* The Project site is within Maui County’s Wailuku Project District 3 (Kehalani) Village Center Mixed Use (VMX) zoning district. The Project is consistent with the residential uses permitted within the VMX zoning district. It is also compliant with Maui County and state Land Use Ordinances related to density, height, building area, setbacks, and other requirements.
2. *Traffic.* The Applicant’s traffic engineer conducted a traffic assessment (TA) analysis for this Project concluding that estimated trip generation from the proposed Project during peak hours falls well below the threshold at which a TA would normally be required. In a

letter dated November 25, 2024, the traffic engineer concluded that this Project is not likely to result in significant impacts on existing queues and congestion in the area.

3. *Infrastructure.* The Project is not anticipated to exceed the capacity of the existing county infrastructure. Kehalani Village Center (KVC) was originally developed by Kehalani Holdings Company, Inc. in 2012 as spatial condominium units (lots) with the intent to sell Units to individual buyers. When KVC was constructed, all required utility service infrastructure to service the Units was stubbed to each individual Unit, including Unit 6 (the Project site). On-site infrastructure for Unit 6 was designed based on an early site plan that contemplated the construction of 56 new residential units. While commitment letters have not yet been finalized based on the current (smaller) Project plan, to date, the Applicant has not received notice of having to contribute to or construct any off-site improvements other than standard fees during meetings with County officials and utility companies.

A more detailed summary of the utility services provided for the project to date is provided below.

Domestic Water, Irrigation Water, and Firelines: A 3-inch domestic water meter, a 1 ½-inch irrigation water meter, and an 8-inch double detector check fire system assembly were installed to service the entire KVC development. A 4-inch domestic waterline, 8-inch fireline, a 2-inch irrigation waterline were installed in the KVC roadways, and laterals were stubbed to each of the units. The existing water meters, detector assembly, and waterlines are controlled by the KVC Association. The KVC association's design review committee reviewed the plans for the Project and approved both the proposed plans and utility connections for domestic and irrigation water and wastewater. A 3-inch domestic water lateral has been stubbed to Unit 6 and a 2-inch water submeter will be installed when Unit 6 is constructed. The irrigation service for Unit 6 will be connected to an adjacent 2 ½-inch irrigation line running in an existing landscape planting island located adjacent to the property. A ¾ submeter will be installed when Unit 6 is constructed. A 6-inch fireline lateral has been stubbed to the unit and will be connected to Unit 6's fire sprinkler system and will also provide for a new fire hydrant within the site.

Sewer: A 6-inch sewer lateral has been stubbed to Unit 6. The lateral is connected to an 8-inch sewerline in KVC Drive. The 8-inch sewerline is connected to a 15-inch sewerline in Kamole Street, which then connects to Maui County's wastewater system. The wastewater is processed at Maui County's Kahului Wastewater Treatment Plant.

Drainage: A drainage report was prepared in 2012 for the entire commercial development. The Project site's drainage infrastructure has been sized according to Maui County standards to handle all runoff. The *Wailuku Project District Drainage Master Plan* places the Project site within the Makai Drainage Section. All runoff from the Makai Drainage Section discharges into the retention basin located along Waiale Road located north of the Project site. The Project is not anticipated to have any adverse effects on the existing drainage system or downstream properties.

Electricity: The Project will be served by Hawaiian Electric Company (HECO). During the development of KVC, HECO installed ductlines along the Project's roadway to provide electrical service to each of the Units. Unit 6's electrical service will be connected to the

existing HECO infrastructure. HECO will install a properly sized transformer on Unit 6 to service the building.

Communication and CATV: Similar to the electrical infrastructure Telephone and CATV, ductlines were installed along the Project's roadway to provide future telephone and CATV service to the units.

4. *Visual.* The visual character of the community surrounding the Project site is a mixture of single-family residences to the north and multi-story commercial/retail buildings surrounding the rest of the Project area.

The Project site is within Maui County's Wailuku Project District 3 Village Center Mixed Use (VMX) zoning district, and the zoning map for the area where the Project site is located allows for building heights of up to 45 feet high from the existing grade. The Project will be 3 stories and reach a maximum of 35 feet high from the finish grade, which will be visible from the surrounding community but is within the permitted building height.

The adjacent Maui County Federal Credit Unit building has a building height of 44 feet from the existing grade so this building will not significantly alter the existing street and skyline views. The site does not serve as a visual resource and does not significantly affect any view corridor.

5. *Cultural, Historic and Archeological Resources.* The Project site is vacant. An archeological assessment (AA) was prepared in 2003 and submitted to the State Historic Preservation Division (SHPD) for SHPD's review and determination as part of the HRS 6E process. In a letter dated August 25, 2004, to the Maui County Department of Public Works and Environmental Management, SHPD concurred that an acceptable AA was prepared, and it found no historic properties. No archaeological monitoring work was required during the grading and construction of the onsite infrastructure for KVC which was completed in 2012 and during the subsequent development of the individual buildings constructed to date in KVC.
6. *Environmental Site Assessment.* 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 Project site.
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 controlled mostly by watering 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, which is the use of State funds as described above and potentially Maui County affordable housing funds if the applicant is successful in obtaining an award.
2. The Project site is within the State Urban district.
3. The Project site is within Maui County’s Wailuku Project District 3 (Kehalani) Village Center Mixed Use (VMX) zoning district (See Exhibit 3). The Project is consistent with the residential use permitted within the VMX zoning district. The Project is also compliant with the Maui County Land Use Ordinances related to density, height, building area, setbacks, and other requirements.
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 2 miles from the nearest shoreline and approximately four miles from Kahului Airport.
 - b. It is located in Flood Zone X.
 - c. Does not contain any streams or wetlands.
 - d. Does not include any area designated critical habitat.
 - e. It is not located within the Special Management Area.

CONSULTATIONS

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

Agency / Organization	Name	Consultation Date
Maui County Federal Credit Union	Gary Fukuroku and Michelle Kawahara President and Vice President	07/22/2024
Hawaii Department of Transportation	Ed Sniffen, Director	01/15/2025
Hawaii Department of Education	Keith Hayashi, Superintendent	01/15/2025
Hawaii Department of Health	Kenny Fink, Director	01/15/2025
Office of Planning and Sustainable Development	Mary Alice Evans, Director	01/15/2025
Maui County, Department of Housing	Richard Mitchell, Director	01/15/2025
Maui County, Director of Human Concerns	Lori Tshako, Director	01/15/2025
Maui County, Department of Public Works	Jordan Molina, Director	01/15/2025
Maui County, Department of Parks and Recreation	Patrick McCall, Director	01/15/2025
Maui County, Department of Transportation	Marc Takamori, Director	01/15/2025

Association of Unit Owners of Kehalani Village Center (Board of Directors)	Jack Dowling; Gary Fukuroku; Joy Nishino; Francesca Carey; Charmaine Kahuhu	02/18/2025
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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 had the following comments:

- a. The Project is approximately 2.92 miles from the property boundary of the Kahului Airport (OGG). All projects within 5 miles from 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 HNL operations.

- b. Federal Aviation Administration (FAA) regulation requires the submittal of FAA Form 7460-1 Notice of Proposed Construction or Alteration pursuant to the Code of Federal Regulations, Title 14, 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 Part 77 analysis to the HDOT Airport Planning Section.

Response: The Applicant will submit the FAA Form 7460-1 to FAA and provide a copy of the determination to DOT Airports Planning Section.

- c. Due to the proximity to OGG, 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: Future residents of the Project will receive a disclosure in their lease concerning OGG and its operations. Such a disclosure will advise residents of the possible impacts of airport operations, such as fumes, noises, and vibrations.

- d. The 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 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.

- e. 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 the pilot 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.

FAA requires a glint and glare analysis for all solar energy PV systems near airports. 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: Project plans currently do not include PV systems; however, the Applicant may include PV systems in the future. In designing any future PV system, the Applicant's design team will specify non-glint 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.

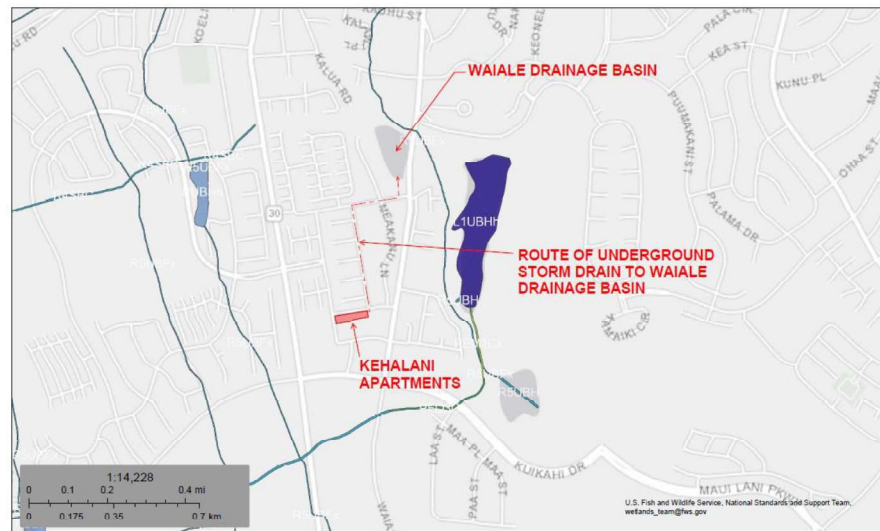
- f. DOT encourages strategies to reduce carbon emissions from the project, if any. Suggestions include:
 - i. Incorporate elements that encourage and enhance the use of multiple types of transportation to reduce carbon emissions.
 - ii. Implement energy-efficient technologies and practices, such as light-emitting diode lighting.
 - iii. Use sustainable, recycled, or low-emission materials in construction and manufacturing.

Response: The Applicant will make efforts to reduce carbon emissions by providing electric vehicle stalls, ample short-term and long-term bicycle parking, Energy Star-certified appliances, and LED lighting. The Project will be designed to meet Leadership in Energy and Environmental Design (LEED) Certified criteria for multifamily housing to the extent possible; however, at this stage in the design process, it is not known which specific LEED criteria will be achieved.

2. Office of Planning and Sustainable Development. The office had the following comments

- a. While the Project is not in an environmentally sensitive area, it appears to be upstream of what is identified as a national wetlands area on Exhibit 5. The Project Summary and Impact Analysis states the site is in the *Wailuku Project District Drainage Master Plan* and that runoff from the Kehalani Apartments site discharges into a retention basin located off Waiale Road north of the site. A short explanation and map that shows the retention basin in relation to the site would help the reviewer better understand stormwater flows with respect to the national wetland area and how the *Drainage Master Plan* mitigates potential downstream impacts to the wetland, if any.

Response: The image below is an enlarged view illustrating the path of the underground storm drain that carries runoff from the Kehalani Apartments site directly to the Waiale Drainage Basin within Kehalani. This underground system ensures that no surface runoff from the Kehalani Apartments enters either Spreckel's Ditch (Classification Code R5UBFx) or the Waiale Irrigation Reservoir (Classification Code L1UBHh) to the east.



- b. The Project Summary and Impact Analysis states that various studies, including a Traffic Assessment Analysis and Phase 1 Environmental Site Assessment were prepared for the Project, and other studies were prepared for the larger KVC project. These Project related studies and reports, by their nature, should document and discuss the range of Project impacts as well as recommended mitigation measures the Applicant plans to incorporate into the project. Making these reports available to relevant agencies and the public prior to any decision-making on development and permit approvals would be consistent with the requirement for consultation and the request for an HRS 343 exemption for the

proposed project. OPSD also recommends that the Project Summary and Impact Analysis materials made available to decision-makers and the public include links to all studies conducted for this project and prior studies completed for the larger KVC project, particularly those which the Applicant relies on to support this exemption consultation.

Response: All studies for the Project are shared when requested by the permitting agencies during the permitting process. An EA was not required for the development of the Kehalani Village Center as the Project had the appropriate zoning entitlements when it was developed. A link to the EA Exemption Notice for this Project will be posted on the Environmental Review Program's website.

- c. OPSD notes that cumulative and secondary impacts are inevitable and unavoidable for projects that support the buildout of planned development in adopted State or county long-range land use plans. In this instance, it is reasonable to assume that those project impacts that can be mitigated will be addressed through best practices and other measures incorporated or conditions placed on project development and operation by approving entities.

Response: Comment acknowledged.

3. Hawaii Department of Education. The department had the following comments:

- a. The Project will be served by Puu Kukui Elementary, Iao Intermediate, and Baldwin High. All three schools are operating beyond their design capacity; however, the Project is located within the Central Maui School Impact Fee District and as such, it is exempt from paying school impact fees.

Response: Comment acknowledged.

4. Maui County, Department of Transportation. The department had no comments.
5. Maui County, Department of Parks and Recreation. The department had no objections to the Project's use of an exemption.

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. Currently, there are no known cultural, archaeological, or historic resources of significance on the Project

site. In a letter dated August 25, 2004, SHPD concurred that an acceptable AA was prepared, and it found no historic properties. No archaeological monitoring work was required during the grading and construction of the onsite infrastructure.

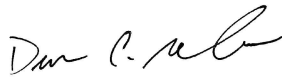
The Applicant will implement any mitigation deemed necessary by SHPD. In the event of unexpected discovery of archaeological or historic resources, SHPD will be notified pursuant to HAR 13-280-3.

2. *Curtail the range of beneficial use of the environment.* The 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 Hawaii'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 primarily affordable housing that can only be rented or sold to Hawaii residents. Some redistribution of population may occur as the Project will include 35 residential units on the site. Thus, some Hawaii residents from outside the immediate Project area may choose to relocate to the Project. On a county and statewide basis, substantial impacts on public facilities are not anticipated to result from the construction and operation of the Project as households that relocate to the Project from other parts of the county or the state would require similar public facilities. Thus, public facility funds from other areas could be allocated to public facilities serving the Project area.
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 an affordable housing project. 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 on 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.
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.



Signature of Director or Delegate

Feb 23, 2025

Date

List of Exhibits:

- Exhibit 1A – Location Map and Site Plan
- Exhibit 1B – Site Plan
- Exhibit 1C – Elevations
- Exhibit 2 – State Land Use District
- Exhibit 3 – Maui County Land Use Designation Form
- Exhibit 4 – Flood Zone Map
- Exhibit 5 – Wetlands Inventory Map
- Exhibit 6 – Critical Habitat Map
- Exhibit 7 – Special Management Area
- Exhibit 8 – Typical Consultation Packet (minus exhibits listed above)
- Exhibit 9 – DOT comment letter
- Exhibit 10 – OPSD comment letter
- Exhibit 11 – DOE comment letter
- Exhibit 12 – Maui DOT comment letter
- Exhibit 13 – Maui DPR comment letter

Exhibit 1A: Location Map





Exhibit 1B: Site Plan

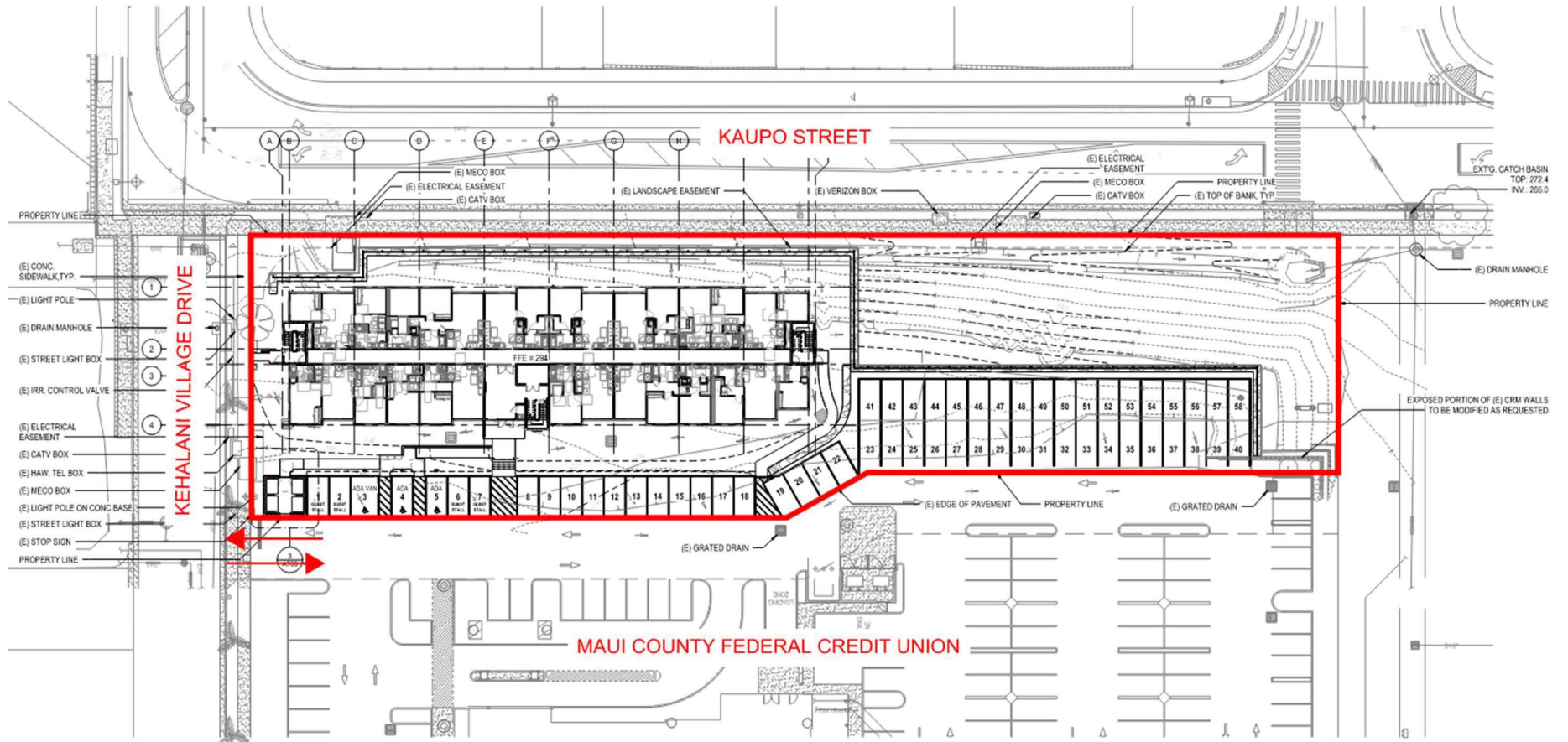
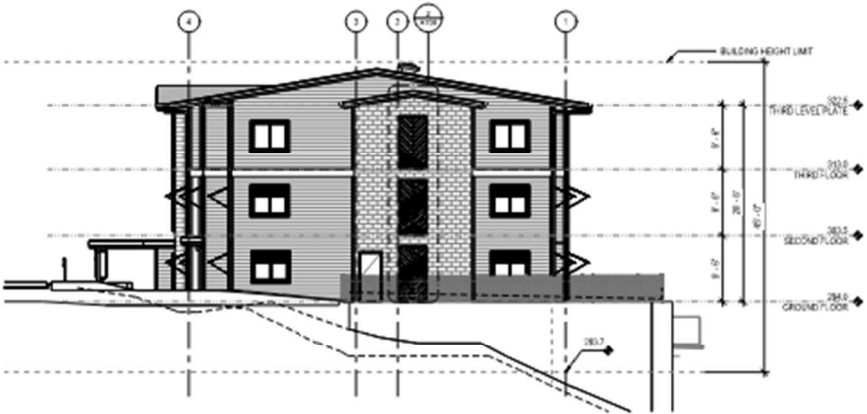
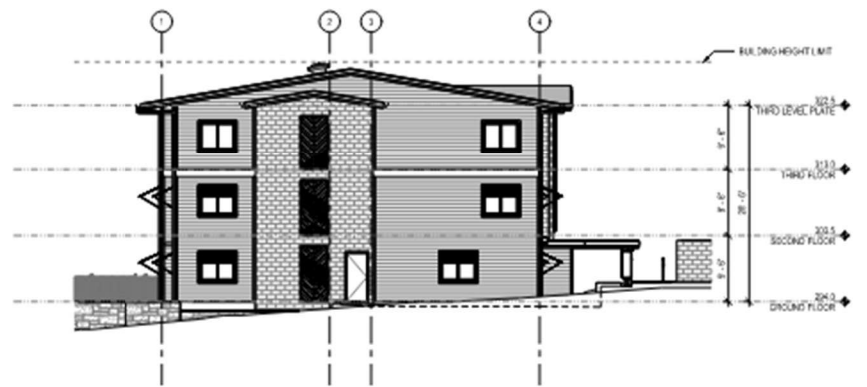


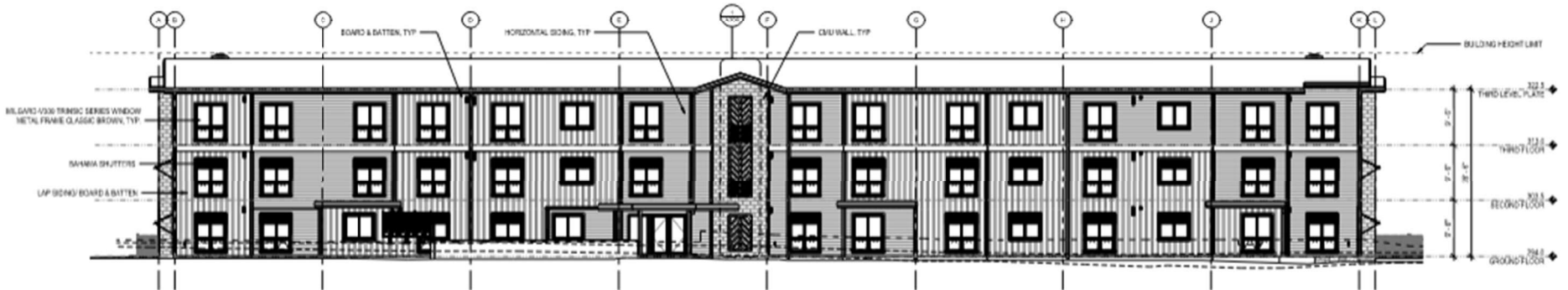
Exhibit 1C: Elevations



3 RIGHT SIDE ELEVATION
1/8" = 1'-0"

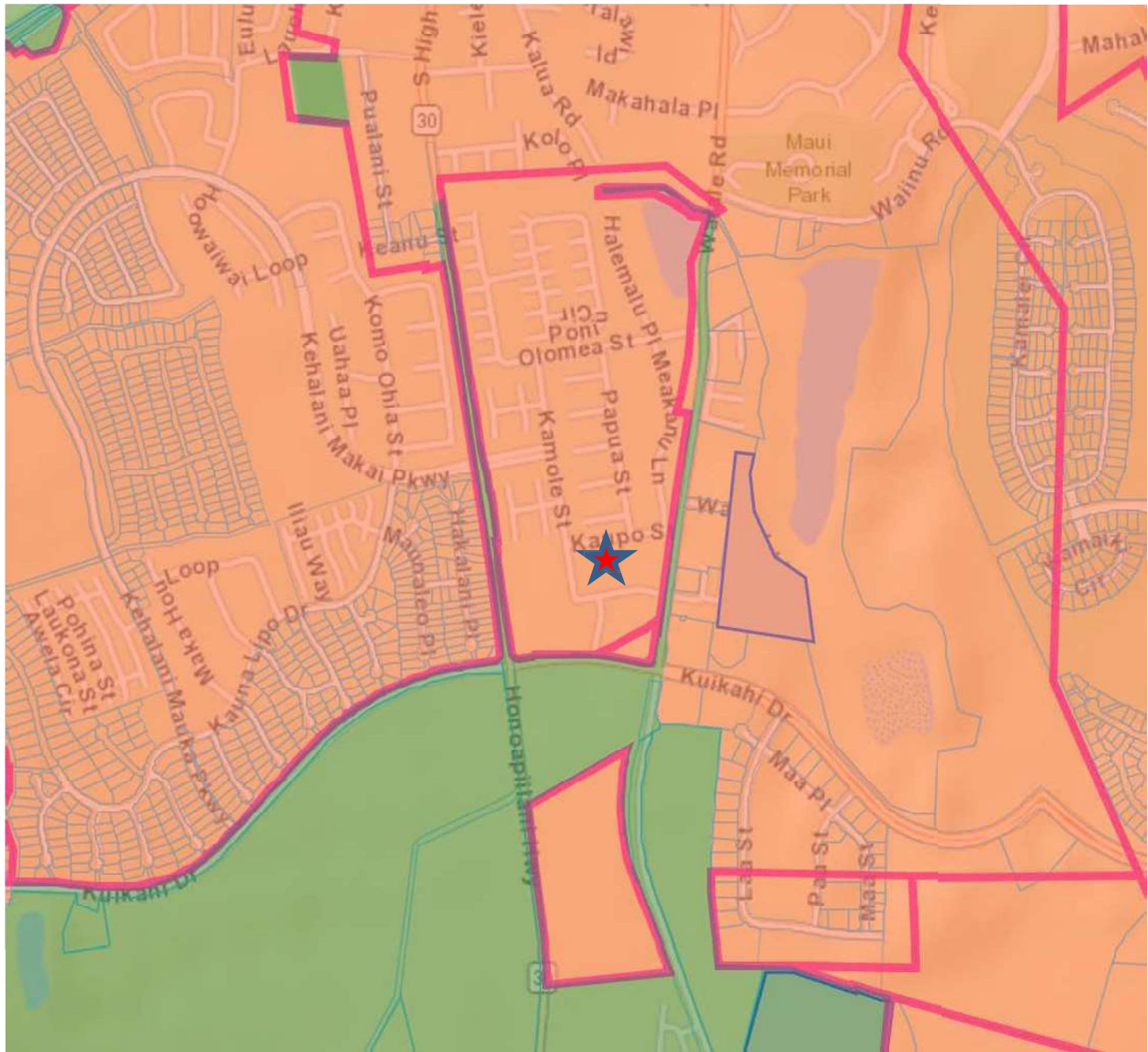


4 LEFT SIDE ELEVATION
1/8" = 1'-0"



1 FRONT ELEVATION
1/8" = 1'-0"

Exhibit 2: State Land Use District Map



Orange: Urban District
Green: Agricultural District

Source: Hawaii Statewide GIS Program, State Land Use District Boundaries for the 8 main Hawaiian Islands, last updated May 17, 2023
<https://histategis.maps.arcgis.com/home/item.html?id=7b6e118ffe5d4370923dde14ed1ea6e3>

Exhibit 3: Maui County Land Use Designation Form

COUNTY OF MAUI
DEPARTMENT OF PLANNING
One Main Plaza Building
2200 MAIN STREET, SUITE 315
WAILUKU, HAWAII 96793



Zoning Administration and Enforcement
Division (ZAED)
Telephone: (808) 270-7253
Facsimile: (808) 270-7634

LAND USE DESIGNATION FORM

TAX MAP KEY 2350010630006

PROPERTY ADDRESS 224 KEHALANI VILLAGE DR, WAILUKU, HI 96793

- Yes No Will this Land Use Designation Form be used with a Subdivision Application?
IF YES, answer questions A and B below and comply with instructions 2 & 3 below:
- A) Yes No Will it be processed under a consistency exemption from Section 18.04.030(B), MCC?
IF YES, which exemption? (No. 1, 2, 3, 4 or 5) _____
- B) State the purpose of subdivision and the proposed land uses (ie 1-lot into 2-lots for all land uses allowed by law): _____

INSTRUCTIONS:

- 1) Please use a separate Land Use Designation Form for each Tax Map Key (TMK) number.
- 2) If this will be used with a subdivision application AND the subject property contains multiple districts/designations of (1) State Land Use Districts, (2) Maui Island Plan Growth Boundaries, (3) Community Plan Designations, or (4) County Zoning Districts; submit a signed and dated Land Use Designations Map, prepared by a licensed surveyor, showing the metes & bounds of the subject parcel and of each district/designation including any subdivisions.
- 1) If this will be used with a subdivision application AND the subject property contains multiple State Land Use Districts; submit an approved District Boundary Interpretation from the State Land Use Commission.

LAND USE DISTRICTS/DESIGNATIONS (LUD) AND OTHER INFORMATION:¹

STATE DISTRICT: Urban Rural Agriculture Conservation

(SMA)
Special
Management Area

MAUI ISLAND PLAN

Growth Boundary:² Urban Small Town Rural Planned Growth Area Outside Growth Boundaries
Protected Area:² Preservation Park Greenbelt Greenway Sensitive Land Outside Protected Areas

COMMUNITY PLAN:² PROJECT DISTRICT 3

COUNTY ZONING: PROJECT DISTRICT 3 (WAILUKU) VILLAGE CENTER VMX (ORDINANCE 2744)

OTHER COMMENTS: STATE LAND USE DESIGNATION: URBAN (ORDINANCE 2746) PLEASE SEE ORDINANCE FOR CONDITIONS

FEMA FLOOD INFORMATION: A Flood Development Permit is required if any portion of a parcel is designated V, VE, A, AO, AE, AH, D, or Floodway, and the project is on that portion.

FLOOD HAZARD AREA ZONES³
& BASE FLOOD ELEVATIONS: ZONE: X

FEMA DESIGNATED FLOODWAY

For Flood Zone AO, FLOOD DEPTH: _____

(PD)
Planned
Development
 (PH)
Project District
 See
Additional
Comments (Pg. 2)
 See
Attached LUD Map

SUBDIVISION LAND USE CONSISTENCY:

Not Consistent. (LUDs appear to have NO permitted uses in common).

Not Applicable. (Due to processing under consistency exemption No. 1, 2, 3, 4, 5).

(Signature)

Interim Zoning. (The parcel or portion of the parcel that is zoned interim shall not be subdivided).

Consistent. (LUDs appear to have ALL permitted uses in common).

Consistent, upon obtaining an SMA, PD, or PH subdivision approval from Planning.

Consistent, upon recording a permissible uses unilateral agreement processed by Public Works (See Pg. 2).

NOTES:

- 1) The conditions and/or representations made in the approval of a State District Boundary Amendment, Community Plan Amendment, County Change in Zoning, SMA Permit, Planned Development, Project District and/or a previous subdivision, may affect building permits, subdivisions, and uses on the land. Please review the Maui Island Plan and the Community Plan document for any goals, objectives, policies or actions that may affect this parcel.
- 2) Flood development permits might be required in zones X and X-B for any work done in streams, gulches, low-lying areas, or any type of drainageway might require the following designations to be shown on the subdivision map: 100-year flood inundation limits; base flood elevations; drainage reserves.
- 3) Subdivisions will be further reviewed during the subdivision application process to verify consistency, unilateral agreement requirements, and the conditions associated with a unilateral agreement [Section 18.04.030.D, Maui County Code]
- 4)

REVIEWED & CONFIRMED BY:

J. Allison

Jacob Allison

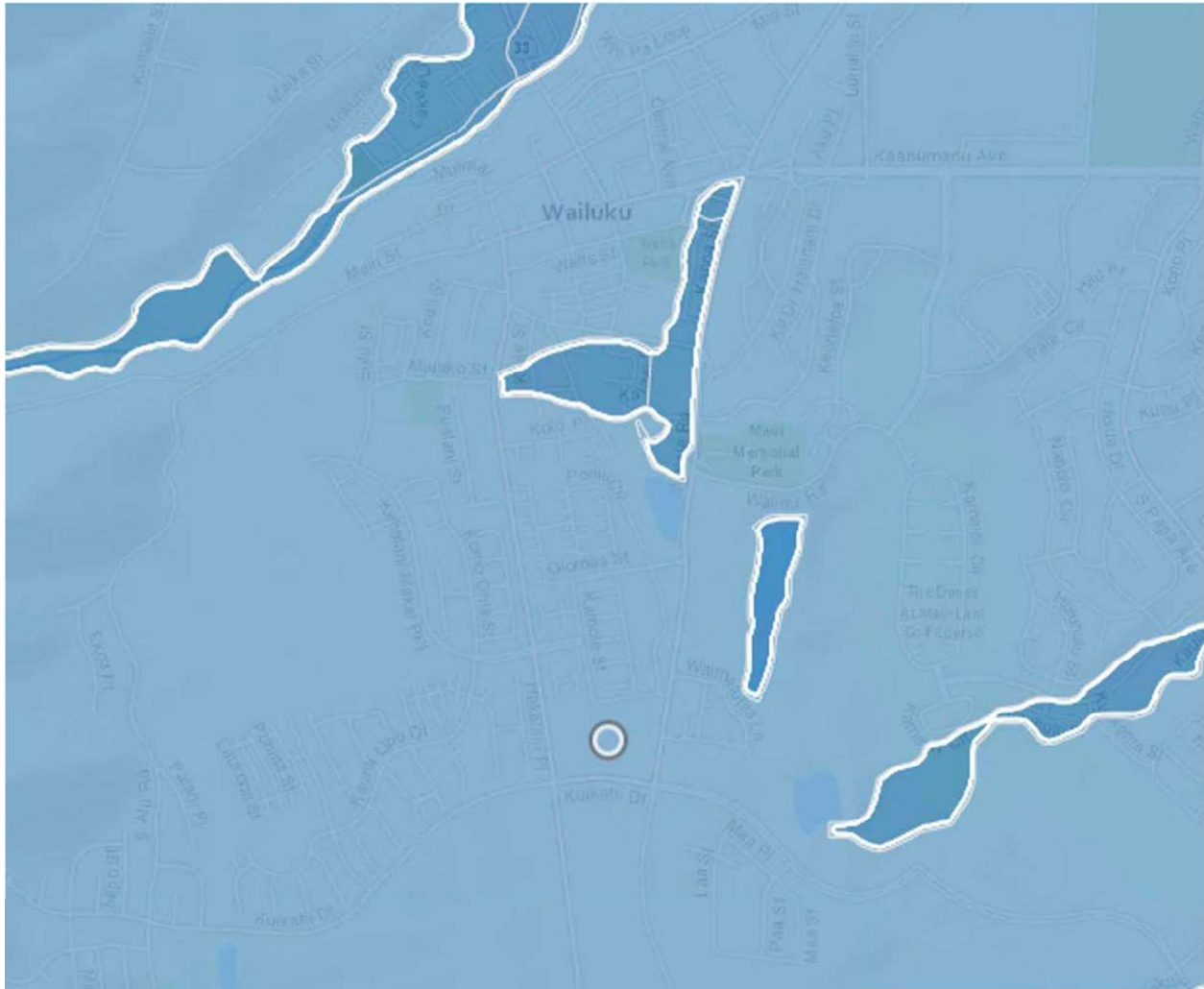
09/28/2022

Date

For: Planning Program Administrator

VALID FOR 2 YEARS FROM THE DATE ISSUED. DESIGNATIONS MAY CHANGE

Exhibit 4: Flood Zone Map



Light Blue: Flood Zone X (Area of Minimal Flood Hazard)

Source: Hawaii Statewide GIS Program, Flood Hazard Areas for the County of Maui, map updated 2021.
<https://geoportal.hawaii.gov/datasets/HiStateGIS::flood-hazard-areas-dfirm-maui-county/about>

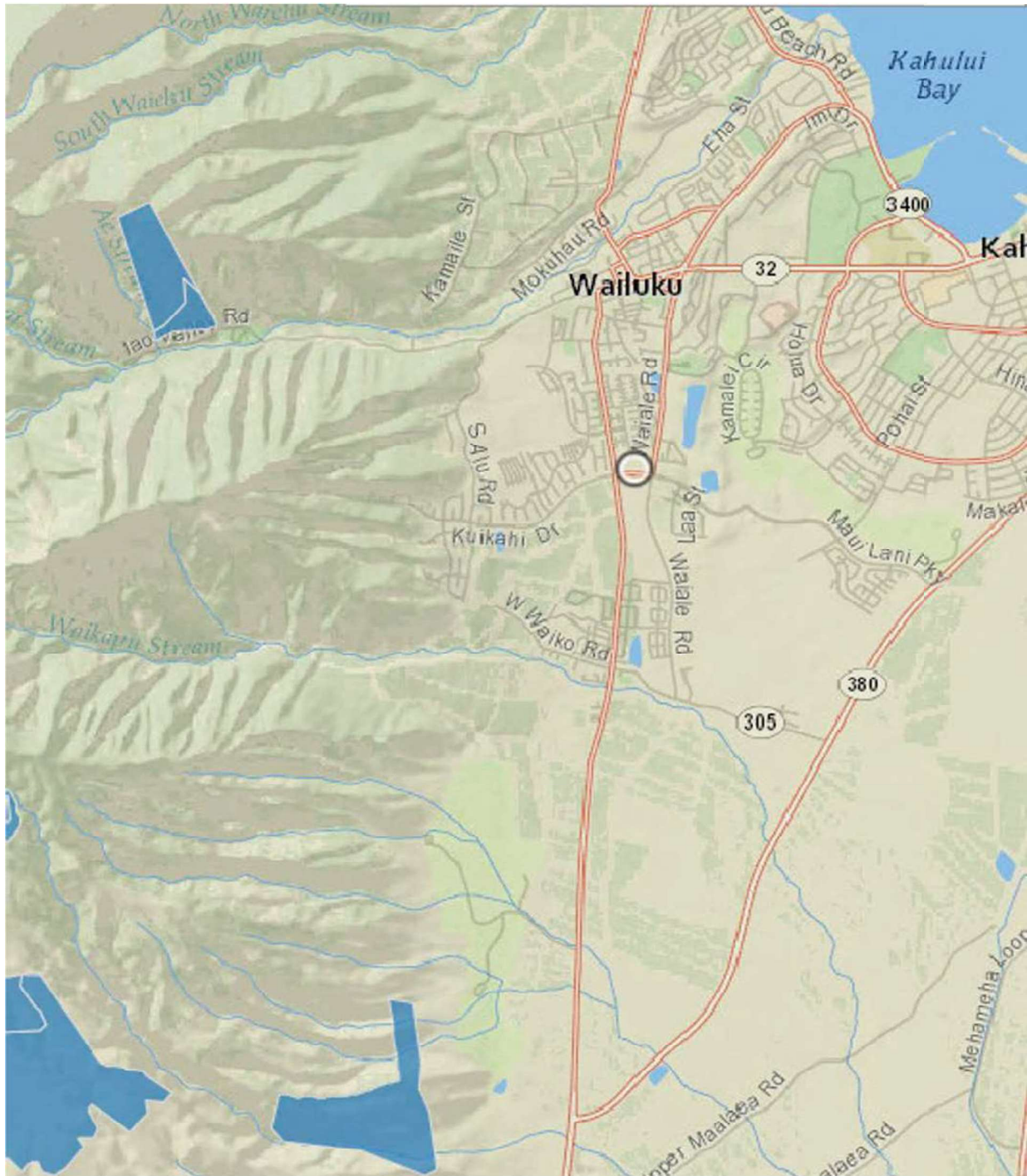
Exhibit 5: National Wetlands Inventory Map



Dark Blue: National Wetlands Area

Source: Exhibit 5: Hawaii Statewide GIS Program, Wetlands in the State of Hawaii, map last updated August 2019. https://geoportal.hawaii.gov/datasets/2250370303ef44c8becf4fbe549e3f43_39/about

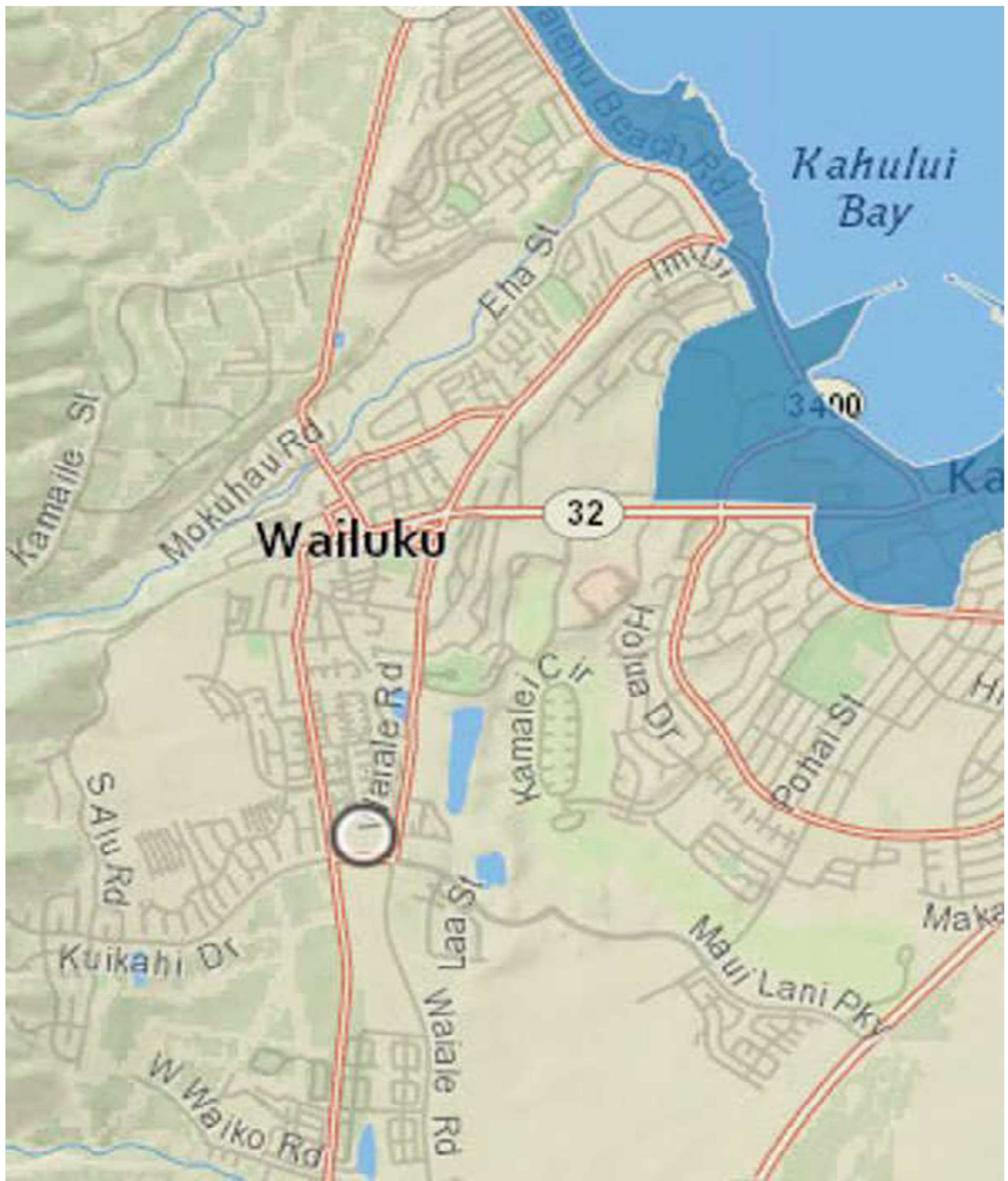
Exhibit 6: Critical Habitat Map



Dark Blue: Critical Habitat Area

Source: Exhibit 6: Hawaii Statewide GIS Program, State of Hawaii Areas of Critical Habitat, consolidated map last updated February 2022.
https://geoportal.hawaii.gov/datasets/30213672abf34059a8efe117888268b0_25/about

Exhibit 7: Special Management Area Map



Dark Blue: Special Management Area

Source: Exhibit 7: Hawaii Statewide GIS Program, Special Management Areas in the State of Hawaii consolidated map, last updated November 2023 <https://geoportal.hawaii.gov/datasets/HiStateGIS::special-management-areas-sma/about>

Exhibit 8

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



DEAN MINAKAMI
EXECUTIVE DIRECTOR

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

IN REPLY REFER TO:
25:PECB/04

January 15, 2025

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

Dear Mr. Sniffen:

Subject: Consultation for an Environmental Assessment Exemption
Kehalani Apartments
254 Kehalani Village Drive; Wailuku, Maui
Tax Map Key: (2) 3-5-001:063-0006

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 Kehalani Apartments (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 February 19, 2025, to make this determination.

Kehalani Affordable, LLC (Applicant) is proposing to build an affordable multi-family rental project on a one-acre vacant parcel located at 254 Kehalani Village Drive, Wailuku (See Exhibit 1). The Project site is located within Kehalani Village Center, which is a mixed-use development consisting of spatial condominium units where each unit owner constructs their own building.

The Project is planned as an affordable rental project. The Project will include a single three-story residential building and provide a total of 35 housing units, with 16 one-bedroom units, 16 two-bedroom units, and 3 three-bedroom units. The maximum building height will be up to 35 feet above ground level.

The Applicant will commit to set aside all units based on the following income listed below for a minimum of 61 years.

Restricted at the Area Median Income (AMI)	One Bedroom Units	Two Bedroom Units	Three Bedroom Units	Total Units
30% of the AMI	4	0	0	4
60% of the AMI	12	16	3	31
Total Affordable Rental Units	16	16	3	35
Manager Units	0	0	0	0
Total Units	16	16	3	35

The Project will have a total of 58 on-grade surface parking stalls. Direct ingress and egress to the Project will be through Kehalani Village Drive. Kehalani Village Drive connects to Waiale Road, Kaupo Street and Kuikahi Drive at three separate intersections. Nearly one third of the site will be a dedicated green space and picnic area providing a common gathering place for residents and will enhance the sense of community. With the Project being located in Kehalani Village Center, residents will have walking access to a major grocery store, drugstore, banks, restaurants and coffee stores. In addition, residents will also have access to multiple walking trails, bike paths, parks and Puu Kukui Elementary School which are all located within the Wailuku Project District 3 (Kehalani).

The Applicant will seek Low-Income Housing Tax Credits to partially finance the project. In addition, the Applicant will seek Rental Housing Revolving Fund and/or other State funding sources. As such, HHFDC will be the approving agency for HRS 343 compliance because of the potential use of these State financing programs. The applicant has also applied to the County of Maui for affordable housing funding for this project.

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;*

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

Analysis: The sole trigger for compliance with HRS 343, which is the use of State funds as described above and potentially Maui County affordable housing funds if the applicant is successful in obtaining an award.

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

Analysis: The Project site is within the State Urban district (See Exhibit 2).

C. As proposed is consistent with the existing county zoning classification provided that allows housing;

Analysis: The Project site is within Maui County's Wailuku Project District 3 (Kehalani) Village Center Mixed Use (VMX) zoning district (See Exhibit 3). The Project is consistent with the residential uses permitted within the VMX zoning district. The Project is also compliant with the Maui County Land Use Ordinances related to density, height, building area, setbacks, and other requirements.

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 2 miles from the nearest shoreline and approximately four miles from Kahului Airport.
- b. It is located in Flood Zone X (See Exhibit 4)
- c. Does not contain any streams or wetlands (See Exhibit 5).
- d. Does not include any area designated critical habitat (See Exhibit 6).
- e. It is not located within the Special Management Area (See Exhibit 7).

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 administrative permits are obtained.*

Mr. Ed Sniffen
January 15, 2025
Page 4

Analysis: The Project is a multi-family affordable rental housing development. All applicable administrative approvals and permits will be obtained, including grading, retaining walls, building, electrical, plumbing and landscaping permits.

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

Please email any comments you may have to dean.k.watase@hawaii.gov by February 19, 2025.

If you have any questions, please contact me at the email listed above or at (808) 587-0639.

Sincerely,

Dean Watase

Dean Watase
Interim Chief Planner

Attachment

KEHALANI APARTMENTS PROJECT SUMMARY & IMPACT ANALYSIS

Location and Tax Map Key	254 Kehalani Village Drive; Wailuku, Maui. Tax Map Key: (2) 3-5-001:063-0006
Project Site	43,969 square feet
Total Units	35
Affordability	<p>The Kehalani Apartments (Project) will be an affordable rental housing development with 100% of the units set aside as affordable. All 35 units will be designated as family occupancy and 5 units will be accessible. The project will remain affordable for 61 years.</p> <ul style="list-style-type: none"> • 4 units (11%) will be set aside for households earning a maximum income of 30% of the AMI. • 31 units (89%) will be set aside for households earning a maximum income of 60% of the AMI.
Parking	58 parking stalls which includes 3 ADA stalls
Stories/Heights	One 3-story building with three stairwells. Approximately 35' feet high above final ground level at its highest point

RESOURCE AREA	SUMMARY OF POTENTIAL IMPACTS
LAND USE & ZONING	The Project site is within Maui County's Wailuku Project District 3 (Kehalani) Village Center Mixed Use (VMX) zoning district (See Exhibit 3). The Project is consistent with the residential uses permitted within the VMX zoning district. The Project is also compliant with Maui County and state Land Use Ordinances related to density, height, building area, setbacks, and other requirements.
TRAFFIC	The Applicant's traffic engineer conducted a traffic assessment analysis for this Project concluding that estimated trip generation from the proposed Project during peak hours falls well below the threshold at which a TIAR would normally be required. In a letter dated November 25, 2024, the traffic engineer concluded that this Project is not likely to result in significant impacts on existing queues and congestion in the area.
INFRASTRUCTURE	<p>The Project is not anticipated to exceed the capacity of the existing county infrastructure. Kehalani Village Center (KVC) was originally developed by Kehalani Holdings Company, Inc. in 2012 as spatial condominium units (lots) with the intent to sell Units to individual buyers. When KVC was constructed, all required utility service infrastructure to service the Units was stubbed to each individual Unit, including Unit 6 (the Project site). On-site infrastructure for Unit 6 was designed based on an early site plan that contemplated the construction of 56 new residential units. While commitment letters have not yet been finalized based on the current (smaller) Project plan, to date, the Applicant has not received notice of having to contribute to or construct any off-site improvements other than standard fees during meetings with County officials and utility companies.</p> <p>A more detailed summary of the utility services provided for the project to date is provided below.</p> <ul style="list-style-type: none"> • <i>Domestic Water, Irrigation Water, and Firelines:</i> A 3-inch domestic water meter, 1 ½-inch irrigation water meter and an 8-inch double detector check fire system assembly were installed to service the entire KVC development. A 4-inch domestic waterline, 8-inch fireline, and 2-inch irrigation waterline were installed in the KVC roadways and laterals were stubbed to each of the units. The existing water meters, detector assembly and waterlines are controlled by the KVC Association. The KVC association's design review committee reviewed the plans for the Project and approved both the proposed plans and utility connections for domestic and irrigation water and wastewater. A 3-inch domestic water lateral has been stubbed to Unit 6 and a 2-inch water submeter will be installed when Unit 6 is constructed. The irrigation service for Unit 6 will be connected to an adjacent 2 ½-inch irrigation line running in an existing landscape planting island located adjacent to the property. A ¾ submeter will be installed when Unit 6 is constructed. A 6-inch fireline lateral has been stubbed to the unit and will be connected to Unit 6's fire sprinkler system and will also provide for a new fire hydrant within the site. • <i>Sewer:</i> A 6-inch sewer lateral has been stubbed to Unit 6. The lateral is connected to an 8-inch sewerline in KVC Drive. The 8-inch sewerline is connected to a 15-inch sewerline in Kamole Street, which then connects to Maui County's wastewater system. The wastewater is processed at Maui County's Kahului Wastewater Treatment Plant.

	<ul style="list-style-type: none"> • <i>Drainage:</i> A drainage report was prepared in 2012 for the entire commercial development. The Project site's drainage infrastructure has been sized according to Maui County standards to handle all runoff. The <i>Wailuku Project District Drainage Master Plan</i> places the Project site within the Makai Drainage Section. All runoff from the Makai Drainage Section discharges into the retention basin located along Waiale Road located north of the Project site. The Project is not anticipated to have any adverse effects on the existing drainage system or downstream properties. • <i>Electricity:</i> The Project will be served by Hawaiian Electric Company (HECO). During the development of KVC HECO installed ductlines along the Project's roadway to provide electrical service to each of the Units. Unit 6's electrical service will be connected to the existing HECO infrastructure. HECO will install a properly sized transformer on Unit 6 to service the building. • <i>Communication and CATV:</i> Similar to the electrical infrastructure Telephone and CATV, ductlines were installed along the Project's roadway to provide future telephone and CATV service to the units.
ENVIRONMENTAL SITE ASSESSMENT	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 Project site.
VISUAL	<p>The visual character of the community surrounding the Project site is a mixture of single-family residences to the north and multi-story commercial/retail buildings surrounding the rest of the Project area.</p> <p>The Project site is within Maui County's Wailuku Project District 3 Village Center Mixed Use (VMX) zoning district, and the zoning map for the area where the Project site is located allows for building heights of up to 45 feet high from the existing grade. The Project will be 3 stories and reach a maximum of 35 feet high from the finish grade, which will be visible from the surrounding community but is within the permitted building height.</p> <p>The adjacent Maui County Federal Credit Unit building has a building height of 44 feet from the existing grade so this building will not significantly alter the existing street and skyline views. The site does not serve as a visual resource and does not significantly affect any view corridor.</p>
CULTURAL, HISTORIC & ARCHEOLOGICAL	The Project site is vacant. An archeological assessment (AA) was prepared in 2003 and submitted to the State Historic Preservation Division (SHPD) for SHPD's review and determination as part of the HRS 6E process. In a letter dated August 25, 2004, to the Maui County Department of Public Works and Environmental Management, SHPD concurred that an acceptable AA was prepared, and it found no historic properties. No archaeological monitoring work was required during the grading and construction of the onsite infrastructure for KVC which was completed in 2012 and during the subsequent development of the individual buildings constructed to date in KVC.
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 from 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.

Exhibit 9

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



EDWIN H. SNIFFEN
DIRECTOR
KA LUNA HO'OKELE

Deputy Directors
Nā Hope Luna Ho'okele
DREANALEE K. KALILI
TAMMY L. LEE
CURT T. OTAGURO
ROBIN K. SHISHIDO

STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII
DEPARTMENT OF TRANSPORTATION | KA 'OIHANA ALAKAU
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

IN REPLY REFER TO


DIR0001279
STP 8.3888

February 10, 2025

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
KEHALANI APARTMENTS
WAILUKU, MAUI, HAWAII
TAX MAP KEY: (2) 3-5-001: 063

Thank you for your letter, dated January 15, 2025, requesting the Hawaii Department of Transportation's (HDOT) review and comments on the subject project. HDOT understands Kehalani Affordable, LLC is proposing to build an affordable multi-family rental project on a one-acre property located within the existing Kehalani Village Center in Wailuku, Maui.

HDOT has the following comments:

1. The proposed residence project is approximately 2.92 miles from the property boundary of Kahului Airport (OGG). 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. The TAM can be viewed at this link: http://files.hawaii.gov/dbedt/op/docs/TAM-FAA-DOT-Airports_08-01-2016.pdf.
2. Federal Aviation Administration (FAA) regulation requires the submittal of FAA Form 7460-1 Notice of Proposed Construction or Alteration pursuant to the Code of Federal Regulations, Title 14, 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. 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 proximity to OGG, 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.
4. The HDOT requires that the proposed development 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 development creates a wildlife attractant, the developer shall immediately mitigate the hazard upon notification by the HDOT and/or FAA.
5. 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 HDOT and/or FAA.

The 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 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.

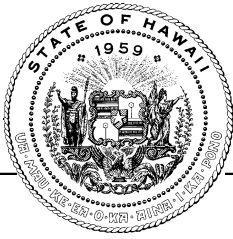
6. Describe strategies to reduce carbon emissions from the project, if any. Suggestions include:
 - a. Incorporate elements that encourage and enhance the use of multiple types of transportation to reduce carbon emissions.
 - b. Implement energy-efficient technologies and practices, such as LED lighting.
 - c. Use sustainable, recycled, or low-emission materials in construction and manufacturing.

JAMES KUNANE TOKIOKA, DIRECTOR
February 10, 2025
Page 3

STP 8.3888

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 HAWAII
OFFICE OF PLANNING
& SUSTAINABLE DEVELOPMENT

Exhibit 10

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

MARY ALICE EVANS
DIRECTOR

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

Telephone: (808) 587-2846
Fax: (808) 587-2824
Web: <https://planning.hawaii.gov/>

Coastal Zone
Management
Program

Environmental Review
Program

Land Use Commission

Land Use Division

Special Plans Branch

State Transit-Oriented
Development

Statewide Geographic
Information System

Statewide
Sustainability Branch

DTS 202501151629ED
Transmitted via email

February 14, 2025

Dean Watase, Interim Chief Planner
Hawai'i Housing Finance and Development Corporation
677 Queen Street, Suite 300
Honolulu, Hawai'i 96813

Dear Mr. Watase:

Subject: Consultation for an Environmental Assessment Exemption
Kehalani Apartments
254 Kehalani Village Drive, Wailuku, Maui
Tax Map Key: (2) 3-5-001: 063-0006

The Office of Planning and Sustainable Development (OPSD) has reviewed the request for exemptions from an Environmental Assessment (EA) for the Kehalani Apartments (Project). Kehalani Affordable, LLC (Applicant) is proposing to build an affordable, 35-unit mixed-use multi-family rental project on a one-acre vacant parcel located in the Kehalani Village Center in Wailuku. The Applicant is committing to keeping units affordable for 61 years for households earning from 30-60% of the Area Median Income (AMI). The Applicant will seek funding from Low-Income Housing Tax Credits, the Rental Housing Revolving Fund, and/or other State and county funding sources.

The Applicant's project is one unit in the larger Kehalani Village Center (KVC) commercial and office condominium project initiated in 2012. Various plans and studies prepared for the larger KVC project are referenced in the consultation materials.

Based on a review of the request and supporting materials, OPSD provides the following comments on the Hawai'i Housing Finance and Development Corporation's (HHFDC) analysis of how the project meets the criteria in Hawai'i Revised Statutes (HRS) Section 343-6(5) and Hawai'i Administrative Rules (HAR) Section 11-200.1-15, 11-200.1-16, and 11-200.1-17 for an exemption from the preparation of an EA.

- 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;*
- b. *As proposed, conforms with the existing State urban land classification;*
- c. *As proposed, is consistent with the existing county zoning classification provided that it allows housing;*
- d. *As proposed, does not require variances for shoreline setbacks or is sited in an environmentally sensitive area, as stated in HAR 11-200.11-13(b)(11).*

OPSD Comments. OPSD's review of the consultation materials finds that the Project meets all of the above criteria for consideration pursuant to Exemption 10. The Project's sole trigger for compliance with HRS Chapter 343 is the use of State or county funds. The Project site is located within the State Urban District. The Project is within Maui County's Wailuku Project District 3 (Kehalani) Village Center Mixed Use (VMX) zoning district, which permits the residential use and density being proposed. Finally, the Project does not require a shoreline setback variance and is not sited in an environmentally sensitive area.

While the Project is not in an environmentally sensitive area, it appears to be upstream of what is identified as a national wetlands area on Exhibit 5. The Project Summary and Impact Analysis states the site is in the *Wailuku Project District Drainage Master Plan* and that runoff from the Kehalani Apartments site discharges into a retention basin located off Waiale Road north of the site. A short explanation and map that shows the retention basin in relation to the site would help the reviewer better understand stormwater flows with respect to the national wetland area and how the *Drainage Master Plan* mitigates potential downstream impacts to the wetland, if any.

2. **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.*

- a. *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 administrative permits are obtained.*

OPSD Comments. HHFDC identified the project as a Part 2 Action under Exemption Type 10, which would exempt affordable housing provided that pre-assessment consultations were conducted to determine the appropriateness of preparing an exemption notice or requiring an environmental assessment.

Mr. Dean Watase
February 14, 2025
Page 3

The Project Summary and Impact Analysis states that various studies, including a Traffic Assessment Analysis and Phase 1 Environmental Site Assessment were prepared for the project, and other studies were prepared for the larger KVC Project. These Project-related studies and reports, by their nature, should document and discuss the range of Project impacts as well as recommended mitigation measures the Applicant plans to incorporate into the project. Making these reports available to relevant agencies and the public prior to any decision-making on development and permit approvals would be consistent with the requirement for consultation and the request for an HRS Chapter 343 exemption for the proposed project. OPSD also recommends that the Project Summary and Impact Analysis materials made available to decision makers and the public include links to all studies conducted for this project and prior studies completed for the larger KVC project, particularly those which the Applicant relies on to support this exemption consultation.

Finally, OPSD notes that cumulative and secondary impacts are inevitable and unavoidable for projects that support the buildout of planned development in adopted State or county long-range land use plans. In this instance, it is reasonable to assume that those project impacts that can be mitigated will be addressed through best practices and other measures incorporated or conditions placed on project development and operation by approving entities.

Thank you for the opportunity to review this exemption request. If you have any questions, please contact Brandon Soo at brandon.a.soo@hawaii.gov. If you respond to this comment letter, please include DTS 202501151629ED in the subject line.

Mahalo,



Mary Alice Evans
Director



STATE OF HAWAII
DEPARTMENT OF EDUCATION
KA 'OIHANA HO'ONA'AUAO
P.O. BOX 2360
HONOLULU, HAWAII 96804

OFFICE OF FACILITIES AND OPERATIONS

February 14, 2025

Mr. Dean Watase
Interim Chief Planner
Hawaii Housing Finance and Development Corporation
677 Queen Street, Suite 300
Honolulu, HI 96813

Re: Consultation for an Environmental Assessment Exemption
Kehalani Apartments, 254 Kehalani Village Drive; Wailuku, Maui
Tax Map Key No.: (2)3-5-001:063-0006

Dear Mr. Watase:

Thank you for your letter dated January 15, 2025. The Hawaii State Department of Education (Department) has reviewed the information provided and offers the following comment on the proposed Kehalani Apartments (Project).

Based on the documents provided, the Department has determined that the Project will be served by Puu Kukui Elementary, Iao Intermediate, and Baldwin High Schools. These schools are currently operating beyond their design capacity.

Although the proposed Project is situated within the Central Maui School Impact Fee District, it is exempt from paying school impact fees under the execution of an educational contribution agreement signed by the Department and Kehalani Mauka LLC dated January 4, 2003.

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.

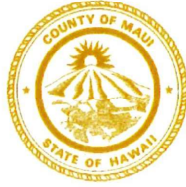
Sincerely,

Roy Ikeda
Interim Public Works Manager
Planning Section

RI:ctc

c: Lori Yatsushiro, Complex Area Superintendent, Baldwin-Kekaulike-Kulanihakoii-
Maui Complex Area
Facilities Development Branch

Exhibit 12



RICHARD T. BISSEN, JR.
Mayor

JOSIAH K. NISHITA
Managing Director

MARC I. TAKAMORI
Director

DIANE C. YOGI
Deputy Director

DEPARTMENT OF TRANSPORTATION
COUNTY OF MAUI
200 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAII 96793

TELEPHONE: (808) 270-7511
FAX: (808) 270-7505

January 23, 2025

Mr. Dean Watase, Interim Chief Planner
State of Hawaii
Department of Business, Economic Development, and Tourism
Hawaii Housing Finance and Development Corporation
677 Queen Street, Suite 300
Honolulu, Hawaii 96813

Dear Mr. Watase,

Subject: Consultation for an Environmental Assessment Exemption
Kehalani Apartments
254 Kehalani Village Drive; Wailuku, Maui
Tax Map Key: (2) 3-5-001: 063-0006

The proposed project does not impact any of Maui County Department of Transportation's projects or existing facilities, and we have no comments to offer at this time.

Thank you for the opportunity to comment. If you have any questions, please call Eric Shimada at (808) 270-7511.

Sincerely,

A handwritten signature in black ink, appearing to be "M. Takamori", is written over a horizontal line.

Marc Takamori
Director

RECEIVED
HAWAII HOUSING FINANCE
DEVELOPMENT CORP.
2025 JAN 27 P 1:26

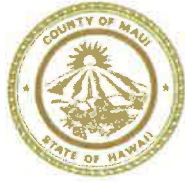
Exhibit 13

RICHARD T. BISSEN, JR.
Mayor

JOSIAH K. NISHITA
Managing Director

PATRICK S. MCCALL
Director

SHANE T. DUDOIT
Deputy Director



DEPARTMENT OF PARKS AND RECREATION
COUNTY OF MAUI
700 HALI'A NAKOA STREET, UNIT 2
WAILUKU, MAUI, HAWAII 96793
www.mauicounty.gov

February 11, 2025

Dean Watase, Interim Chief Planner
State of Hawaii
Department of Business, Economic Development & Tourism
Hawaii Housing Finance and Development Corporation
677 Queen Street, Suite 300
Honolulu, HI 96813

Dear Mr. Watase:

**SUBJECT: CONSULTATION FOR AN ENVIRONMENTAL ASSESSMENT EXEMPTION,
KEHALANI APARTMENTS, 254 KEHALANI VILLAGE DRIVE, WAILUKU,
MAUI, HAWAII, TMK (2) 3-5-001:063-0006**

Thank you for the opportunity to review the proposed Kehalani Apartments project. The Department of Parks and Recreation (DPR) reviewed the project in reference to satisfying the parks and playgrounds requirements per MCC 18.16.320. It was noted that the applicant is proposing to develop 35 affordable housing units.

The project will be located at Kehalani Village Center, within Maui County's Wailuku Project District 3 (Kehalani) Village Center Mixed Use (VMX) zoning district. We have confirmed that the master developer for Wailuku Project District 3 (Kehalani) previously satisfied the parks and playground requirements as reflected in Resolution No. 12-92.

DPR has no objection to the project's exemption from the preparation of an Environmental Assessment (EA).

Should you have any questions, please feel free to contact me or Samuel Marvel, Chief of Planning and Development, at samual.marvel@co.maui.hi.us or (808) 270-7931.

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick S. McCall".

PATRICK S. MCCALL
Director of Parks and Recreation

c: Samuel A. Marvel, Chief of Planning and Development

PSM:SAM:csa