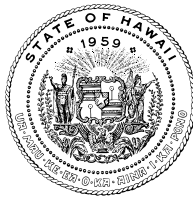


JOSH GREEN, M.D.
GOVERNOR

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/57

September 29, 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
Honuaula Affordable Housing Project
74-4991 Kealakaa Street and 74-4985 Kealakaa Street, Kailua-Kona, Hawaii Island
Tax Map Key: (3) 7-4-004:014 and 092

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.

Honuaula Living Community LP (Applicant) proposes to build the Honuaula Affordable Housing Project (Project). The Project will include four, four-story buildings, offering a total of 105 multifamily rental units with one to four bedrooms configurations. Additionally, the Project will provide 190 parking stalls and a designated area for bicycle storage. Amenities for residents will feature a community room, laundry facilities, a playground, and picnic areas.

After careful analysis outlined in the attachment, HHFDC has evaluated the Project's primary, secondary, and cumulative impacts, and concluded that it is not anticipated to have significant environmental effects.

Sincerely,

A handwritten signature in dark ink, appearing to read "Dean Minakami".

Dean Minakami
Executive Director

Attachment

HONUULA 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)

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. The Project has the use of state or county lands or funds or is within Waikiki as the sole triggers for compliance with HRS 343;
 - B. The Project conforms with the existing state urban land classification;
 - C. The Project is consistent with the existing county zoning classification that allows housing; and
 - D. The Project 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: Honuaula Living Community LP (Applicant) is located at PO Box 2532; Kealakekua, Hawaii 96750. The Hawaii Housing Finance and Development Corporation (HHFDC) is the approving agency of this exemption notice.

Project Name & Address/Location: Honuaula Affordable Housing Project (Project) is located at 74-4991 Kealakaa and 74-4985 Kealakaa streets, Kailua-Kona, Hawaii Island 96740 (Project Site).

Estimated Construction Schedule: Construction start: March 2026 / Construction completion: August 2027

Tax Map Key (TMK) and latitude/longitude coordinates (in decimal degrees): TMK: (3) 7-4-004:014 and 092; Coordinates: 19-40-33.06N, 155-59-7.25W

Anticipated Permits, Approvals, and Notifications:

Permitting Agency	Permit Type
Hawaii County	Grading, trenching, and building permits (DPW) Wastewater and stormwater connection permits (DPW) Certificate of Occupancy (DPW) ROW permit (DPS) Board of Water Supply review Hawaii County Fire Department plan review
State of Hawaii	NPDES (DOH) ADA Coordination (DCAB) Chapter 6E, HRS (SHPD)

NARRATIVE

Honuaula Living Community LP (Applicant) proposes to build an affordable rental project at 74-4991 and 74-4985 Kealakaa streets (Project Site). The Project Site consists of two parcels, totaling 6.01 acres. The Applicant has a 75-year ground lease with three 10-year extension options with the landowner, Kekoa Real Estate Holdings LLC.

The Project Site is currently vacant and covers approximately 6.01 acres of undeveloped woodlands. The Project will include four four-story buildings, offering a total of 105 multifamily rental units with one to four bedrooms. The tallest building will reach a maximum height of 45 feet above ground level. Additionally, the Project will provide 190 parking stalls (including one for loading/unloading) and a designated area for bicycle storage. Amenities for residents will feature a community room, laundry facilities, a playground, and picnic areas.

The Applicant commits to setting aside 104 units for 75 years of affordability, with three 10-year extensions.

Restricted at the Area Median Income (AMI)	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom	Subtotal
30% of the AMI	3	7	16	16	42
60% of the AMI	3	4	7	7	21
70% of the AMI	3	5	6	6	20
80% of the AMI	3	4	7	7	21
Manager's Unit	0	0	1	0	1
Total Number of Units	12	20	37	36	105

The applicant is seeking financing from various state programs, including the Rental Housing Revolving Fund, Hula Mae Multi-Family tax-exempt bonds, and/or other State financing programs. Consequently, HHFDC will act as the approving agency for HRS 343 compliance due to the involvement of state financing. Additionally, Low-Income Housing Tax Credits are also being pursued.

On September 8, 2021, the Hawaii County Council granted the Project a 201H exemption per Ordinance 179.21. Exemptions include zoning and exemption from building permit fees.

ENVIRONMENTAL ANALYSIS

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

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

Relevant environmental analysis of the Project is provided below:

1. *Land Use and Zoning.* The Project Site is zoned RM-2 Multifamily Residential District, minimum 2,000 square feet (RM-2). The construction of 105 multifamily dwelling units is consistent with this designation.
2. *Traffic.* Vehicular access to the Project Site will be provided along Kealakaa Street, which is a two-way roadway.

The Applicant's traffic engineer has prepared a Traffic Impact Assessment Report (TIAR) for the Project. The TIAR's conclusions & mitigation measures noted that all

intersections assessed were shown to operate with acceptable Level of Service D or better conditions, Hawaii County sight distance requirements will be met, and that no specific mitigation is identified for the Project at this time.

3. *Infrastructure.* The status of individual infrastructure systems is as follows:

Water: The Hawaii County, Department of Water Supply (DWS) manages the waterlines surrounding the Project Site. A will-serve letter was provided by DWS to confirm water is available.

Sewer: The Hawaii County, Department of Environmental Management, Wastewater Division (WWD) confirms there is sufficient sewer capacity to support the Project.

Electricity: The Project will be served by Hawaiian Electric Light Company (HELCO). HELCO provided a will-serve letter for the Project. The existing Hawaii Island off-site distribution system is sufficient to support the estimated total electrical load for the Project.

Drainage: The Project has already obtained 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 Project 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.

For grading, the Project Site will be cleared, grubbed, and graded to the subgrade. Diversion ditches will be built to direct surface runoff to multiple sediment traps located throughout the Project Site. It is expected that surface runoff will infiltrate into the soil at these locations. The sediment traps were sized with an estimate of 2 cubic feet per second for an 8-foot diameter sump, with a volume of 400 cubic feet. Small areas outside these catchment facilities will sheet flow toward silt fences on the downstream side of the Project Site perimeter.

For final development, a series of 8-foot diameter sumps is planned to maximize infiltration of surface water. These infiltration sumps are distributed across the Project Site to collect and infiltrate stormwater runoff. They will be 8 feet in diameter and 7 feet 10 inches deep. Infiltration testing was conducted by Blue Rock Geotechnical to support the final design of the infiltration sumps.

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

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

The Project Site is within the RM-2 Multifamily Residential District, which allows for building heights of up to 45 feet. The Project buildings will be four, four (4)-stories and reach a maximum height of 45 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 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.

5. *Cultural, Historic, and Archeological Resources.* The Applicant's archeological consultant prepared an Archaeological Inventory Survey (AIS) for the Project site. The AIS identified seven sites with a total of 245 features. These comprise four single-feature sites (Sites 50-10-28-31262, 50-10-28-31263, 50-10-28-31264, and 50-10-28-31265) and three multi-feature complexes (Sites 50-10-28-31266, 50-10-28-31267, and 50-10-28-31268). The 245 features include 170 mounds, 25 kuaiwi, 15 enclosures, 13 modified outcrops, 13 terraces, three platforms, three walls, two trails, and one walled terrace. The functions of these features are categorized as agriculture (230 features), permanent habitation (10), livestock control (3), and transportation (2).

All seven sites in the project area maintain their integrity in terms of location, design, setting, materials, workmanship, feeling, and association. They are deemed significant for their informational content under Criterion "d," having provided valuable insights into prehistoric to historic land use in the area. Additionally, based on previous experiences in similar locations, the Site 31265 trail is likely considered culturally significant under Criterion "e" for its value to the Hawaiian people.

The AIS was submitted to the State Historic Preservation Division (SHPD) for SHPD's review and determination as part of the HRS 6E process. SHPD concurs with the site integrity and significance assessments, acknowledging that Sites 50-10-28-31262, 50-10-28-31263, and 50-10-28-31264 have been sufficiently documented. Therefore, SHPD agrees that no further work is required for these sites. Additionally, SHPD agrees with the recommendation for partial preservation of Site 50-10-28-31265 and data recovery for Sites 50-10-28-31266, 50-10-28-31267, and 50-10-28-31268. As a result, SHPD has determined that the Project will have an "Effect with agreed upon mitigation commitments," and supports the proposed mitigation strategies.

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 subject properties.
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.

CONSULTATIONS

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

Agency	Name	Consultation Date
Townhall Meeting at Hawaii County Civic Center Kona	Public Meeting	08/17/2020
Hawaii Department of Transportation (DOT)	Ed Sniffen, Director	08/25/2025
Hawaii Department of Education (DOE)	Keith Hayashi, Superintendent	08/25/2025
Office of Planning and Sustainable Development (OPSD)	Mary Alice Evans, Director	08/25/2025
Hawaii County, Planning Department	Jeff Darrow, Director	08/25/2025
Hawaii County, Office of Housing and Community Development	Kehau Costa, Administrator	08/25/2025
Hawaii County, Department of Public Works	Neil Azevedo, Acting Director	08/25/2025
Hawaii County, Department of Parks and Recreation	Clayton Honma, Director	08/25/2025
Hawaii County, Mass Transit Agency	Victor Kandle, Administrator	08/25/2025

The following comments were received during the HRS 343 comment period. Copies of comment letters are available upon request.

Agency	Comment	Response
DOT	DOT, in its letter dated September 24, 2025, offered the following comments: 1. The Project is located 4.03 miles from KOA. All projects within 5 miles of state airports are advised to review the <i>Technical Assistance Memorandum</i> (TAM). 2. The Applicant and future residents should be aware of potential single-event noise, fumes, smoke, vibrations, odors, etc., from flight operations. 3. Describe strategies to reduce carbon emissions, such as incorporating multi-modal transportation options, implementing energy-efficient technologies, and using sustainable materials in construction.	The Applicant has the following responses: 1. The Applicant has reviewed the TAM and the Project will be undertaken in a manner to avoid airport operations. 2. Comment acknowledged. 3. The Applicant will make efforts to reduce carbon emissions and design the Project to meet Leadership in Energy and Environmental Design (LEED) Silver Equivalency certification.
DOE	DOE, in its letter dated September 24, 2025, noted that the Project may have potential impacts on public school capacity, in particular Kealahou Intermediate and High schools. DOE requests early consultation to discuss the cumulative impacts on school capacity and enrollment.	Comment acknowledged. The Applicant will consult with DOE.
OPSD	OPSD, in its letter dated September 9, 2025, concurs that the Project meets the exemption criteria under Type 10.	Comment acknowledged.

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:

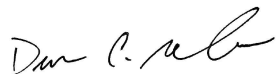
1. *Irrevocably commit a natural, cultural, or historic resource.* The applicant's archaeological consultant prepared an AIS for the project site. The AIS identified seven locations with a total of 245 features. All seven sites within the Project area maintain their integrity in terms of location, design, setting, materials, workmanship, feeling, and association. They are considered significant for their informational content under Criterion "d," having provided valuable insights into prehistoric to historic land use in the area.

The AIS was submitted for review and determination by SHPD as part of the HRS 6E process. Consequently, SHPD has concluded that the project will have an "Effect with agreed-upon mitigation commitments," and supports the proposed mitigation strategies.

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 up to 105 more units than are currently on the Project Site. Thus, some Hawaii residents from outside the immediate Project area may choose to relocate to the Project. On a County-level 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 Hawaii 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 with 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 cause significant impacts to view planes. The Project Site is located within the RM-2 Multifamily Residential District, which allows building heights of up to 45 feet. The Project buildings will be no taller than 45 feet, making them visible from the surrounding community but still within the allowed height limit.
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

09/30/2025

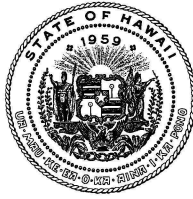
Date

Attachment: Typical Consultation Packet with the listed exhibits below:

- Exhibit 1 – Regional Location Map
- Exhibit 2 – Site Plan
- Exhibit 3 – Rendering
- Exhibit 4 – State Urban District Map
- Exhibit 5 – Hawaii County Zoning Map
- Exhibit 6 – Special Management Area Map
- Exhibit 7 – Flood Zone Map
- Exhibit 8 – Wetlands Map
- Exhibit 9 – Critical Habitat Map

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/48

August 25, 2025

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

Dear Mr. Sniffen:

Subject: Consultation for an Environmental Assessment Exemption
Honuaula Affordable Housing Project
74-4991 Kealakaa Street and 74-4985 Kealakaa Street, Kailua-Kona, Hawaii Island
Tax Map Key: (3) 7-4-004:014 and 092

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 Honuaula 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 September 24, 2025, to make this determination.

Honuaula Living Community LP (Applicant) proposes to build an affordable rental project at 74-4991 and 74-4985 Kealakaa streets (Project Site). The Project Site consists of two parcels, totaling 6.01 acres. The Applicant has a 75-year ground lease with three 10-year extension options with the landowner, Kekoa Real Estate Holdings LLC.

The Project Site is currently vacant and covers approximately 6.01 acres of undeveloped woodlands. The Project will include four four-story buildings, offering a total of 105 multifamily rental units with one to four bedrooms. The tallest building will reach a maximum height of 45 feet above ground level. Additionally, the Project will provide 190 parking stalls (including one

for loading/unloading) and a designated area for bicycle storage. Amenities for residents will feature a community room, laundry facilities, a playground, and picnic areas.

On September 8, 2021, the Hawaii County Council granted the Project a 201H exemption per Ordinance 179.21. Exemptions include zoning and exemption from building permit fees.

The Applicant commits to setting aside 104 units for 75 years of affordability with three 10-year extensions.

Restricted at the Area Median Income (AMI)	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom	Subtotal
30% of the AMI	3	7	16	16	42
60% of the AMI	3	4	7	7	21
70% of the AMI	3	5	6	6	20
80% of the AMI	3	4	7	7	21
Manager's Unit	0	0	1	0	1
Total Number of Units	12	20	37	36	105

The applicant is seeking financing from various state programs, including the Rental Housing Revolving Fund, Hula Mae Multi-Family tax-exempt bonds, and/or other State financing programs. Consequently, HHFDC will act as the approving agency for HRS 343 compliance due to the involvement of state financing. Additionally, Low-Income Housing Tax Credits are also being pursued.

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, which is the use of State funds as described above.

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

Analysis: Applicable, the Project site is within the State Urban district.

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

Analysis: Applicable, the Project Site is zoned RM-2 Multifamily Residential District, minimum 2,000 square feet (RM-2). The construction of 105 multifamily dwelling units is consistent with this designation.

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: Applicable, 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 2.7 miles from the nearest shoreline.
- b. Is not within the Special Management Area.
- c. It is in Flood Zone X and is not in a tsunami evacuation zone.
- d. Does not contain any streams or wetlands.
- e. Does not include any area designated critical habitat.

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.*

Attached is a Project summary and impact analysis, which provides additional details. The following studies were completed to support the analysis and will be made available upon request:

- 1. Traffic Impact Assessment Report.
- 2. Phase I Environmental Site Assessment.

Mr. Ed Sniffen
August 25, 2025
Page 4

3. Archaeological Inventory Study, Archaeological Data Recovery Plan, and Archaeological Monitoring Plan.

The Applicant will obtain all necessary approvals and permits before construction, including those for grading, building, and other relevant activities.

Please email any comments you may have to dean.k.watase@hawaii.gov by September 24, 2025.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Yee", written in a cursive style.

Michael Yee
Chief Planner

Attachment

HONOAULA AFFORDABLE HOUSING PROJECT PROJECT SUMMARY & IMPACT ANALYSIS

DESCRIPTION	PROJECT INFORMATION
Location and Tax Map Key	74-4991 Kealakaa Street and 74-4985 Kealakaa Street, Kailua-Kona, Hawaii Island. Tax Map Key (3) 7-4-004:014 and 092
Project Site	≈ 6.01 acres
Total Units	105 total units
Affordability	The Honoaula Affordable Housing Project (Project) will be an affordable rental housing development with nearly 100 percent of the units set aside as affordable. There will be 104 units designated as affordable units with income restrictions between 80% of the area median income (AMI) and 30% AMI. The Project will remain affordable for 75 years. • 42 units (Approximately 40%) will be set aside for households earning a maximum income of 30% of the AMI. • 21 units (Approximately 20%) will be set aside for households earning a maximum income of 60% of the AMI. • 20 units (Approximately 19%) will be set aside for households earning a maximum income of 70% of the AMI. • 21 units (Approximately 20%) will be set aside for households earning a maximum income of 80% of the AMI. • 1 unit (Approximately 1%) will be set aside as a manager's unit.
Parking	190 parking stalls
Stories/Heights	Four 4-story buildings. Approximately 45 feet high above ground level.
Requested Exemptions	The Applicant has been granted exemptions from the following provisions per Hawaii County Ordinance 179.21. 1. Hawaii County Zoning Ag-1a, Agricultural District (minimum building site of 1-acre) to RM-2, Multiple Family Residential (2,000 sq ft for each separate rentable unit) 2. HCC Section 5-7-1 & 5-7-3, building code. Exemption from Building Dept. permit fees.

RESOURCE AREA	SUMMARY OF POTENTIAL IMPACTS
LAND USE & ZONING	The Project Site is zoned RM-2 Multifamily Residential District, minimum 2,000 square feet (RM-2). The construction of 105 multifamily dwelling units is consistent with this designation.
TRAFFIC	Vehicular access to the Project Site will be provided along Kealakaa Street, which is a two-way roadway. The Applicant's traffic engineer has prepared a Traffic Impact Assessment Report (TIAR) for the Project. The TIAR's Conclusions & Mitigation Measures noted that all intersections assessed were shown to operate with acceptable LOS D or better conditions, Hawaii County sight distance requirements will be met and that no specific mitigation is identified for the project at this time.
INFRASTRUCTURE	The status of individual infrastructure systems is as follows: <i>Water:</i> The Hawaii County, Department of Water Supply (DWS) manages the waterlines surrounding the Project Site. A will-serve letter was provided by DWS to confirm water is available. <i>Sewer:</i> The Hawaii County, Department of Environmental Management, Wastewater Division (WWD) confirms there is sufficient sewer capacity to support the Project. <i>Electricity:</i> The Project will be served by Hawaiian Electric Light Company (HELCO). HELCO provided a will-serve letter for the Project. The existing Hawaii Island off-site distribution system is sufficient to support the estimated total electrical load for the Project. <i>Drainage:</i> The Project has already obtained 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 Project 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. For grading, the Project Site will be cleared, grubbed, and graded to the subgrade. Diversion ditches will be built to direct surface runoff to multiple sediment traps located throughout the Project Site. It is expected that surface runoff will infiltrate into the soil at these locations. The sediment traps were sized with an estimate of 2 cubic feet per second for an 8-foot diameter sump, with a volume of 400 cubic feet. Small areas outside these catchment facilities will sheet flow toward silt fences on the downstream side of the Project Site perimeter.

	For final development, a series of 8-foot diameter sumps is planned to maximize infiltration of surface water. These infiltration sumps are distributed across the Project Site to collect and infiltrate stormwater runoff. They will be 8 feet in diameter and 7 feet 10 inches deep. Infiltration testing was conducted by Blue Rock Geotechnical to support the final design of the infiltration sumps. <i>Telephone and Cable Services:</i> Spectrum provided will-serve letter to confirm the availability of their services.
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 subject properties.
VISUAL	The visual character of the community surrounding the Project site is rural in nature with a mixture of multifamily housing, single-family dwellings, and open spaces. The Project Site is within the RM-2 Multifamily Residential District, which allows for building heights of up to 45 feet. The Project buildings will be four, four (4)-stories high and reach a maximum height of 45 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 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.
CULTURAL, HISTORIC & ARCHEOLOGICAL	The Applicant's archeological consultant prepared an Archaeological Inventory Survey (AIS) for the Project site. The AIS identified seven sites with a total of 245 features. These comprise four single-feature sites (Sites 50-10-28-31262, 50-10-28-31263, 50-10-28-31264, and 50-10-28-31265) and three multi-feature complexes (Sites 50-10-28-31266, 50-10-28-31267, and 50-10-28-31268). The 245 features include 170 mounds, 25 kuaiki, 15 enclosures, 13 modified outcrops, 13 terraces, three platforms, three walls, two trails, and one walled terrace. The functions of these features are categorized as agriculture (230 features), permanent habitation (10), livestock control (3), and transportation (2). All seven sites in the project area maintain their integrity in terms of location, design, setting, materials, workmanship, feeling, and association. They are deemed significant for their informational content under Criterion "d," having provided valuable insights into prehistoric to historic land use in the area. Additionally, based on previous experiences in similar locations, the Site 31265 trail is likely considered culturally significant under Criterion "e" for its value to the Hawaiian people. The AIS was submitted to the State Historic Preservation Division (SHPD) for SHPD's review and determination as part of the HRS 6E process. SHPD concurs with the site integrity and significance assessments, acknowledging that Sites 50-10-28-31262, 50-10-28-31263, and 50-10-28-31264 have been sufficiently documented. Therefore, SHPD agrees that no further work is required for these sites. Additionally, SHPD agrees with the recommendation for partial preservation of Site 50-10-28-31265 and data recovery for Sites 50-10-28-31266, 50-10-28-31267, and 50-10-28-31268. As a result, SHPD has determined that the Project will have an "Effect with agreed upon mitigation commitments," and supports the proposed mitigation strategies.
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 from vehicular traffic. If the noise emissions are above the 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 1: Location Map

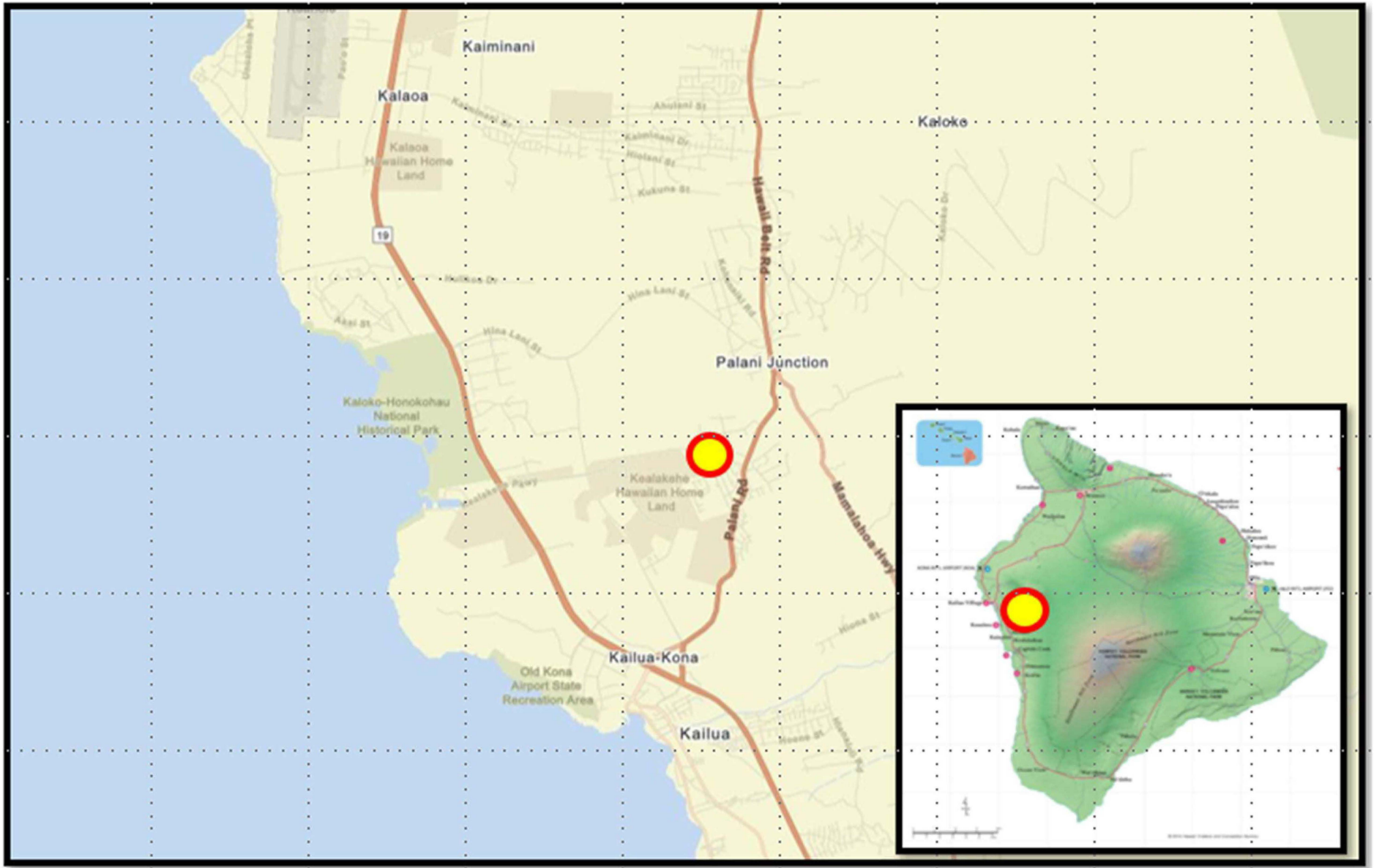


Exhibit 2: Site Plan

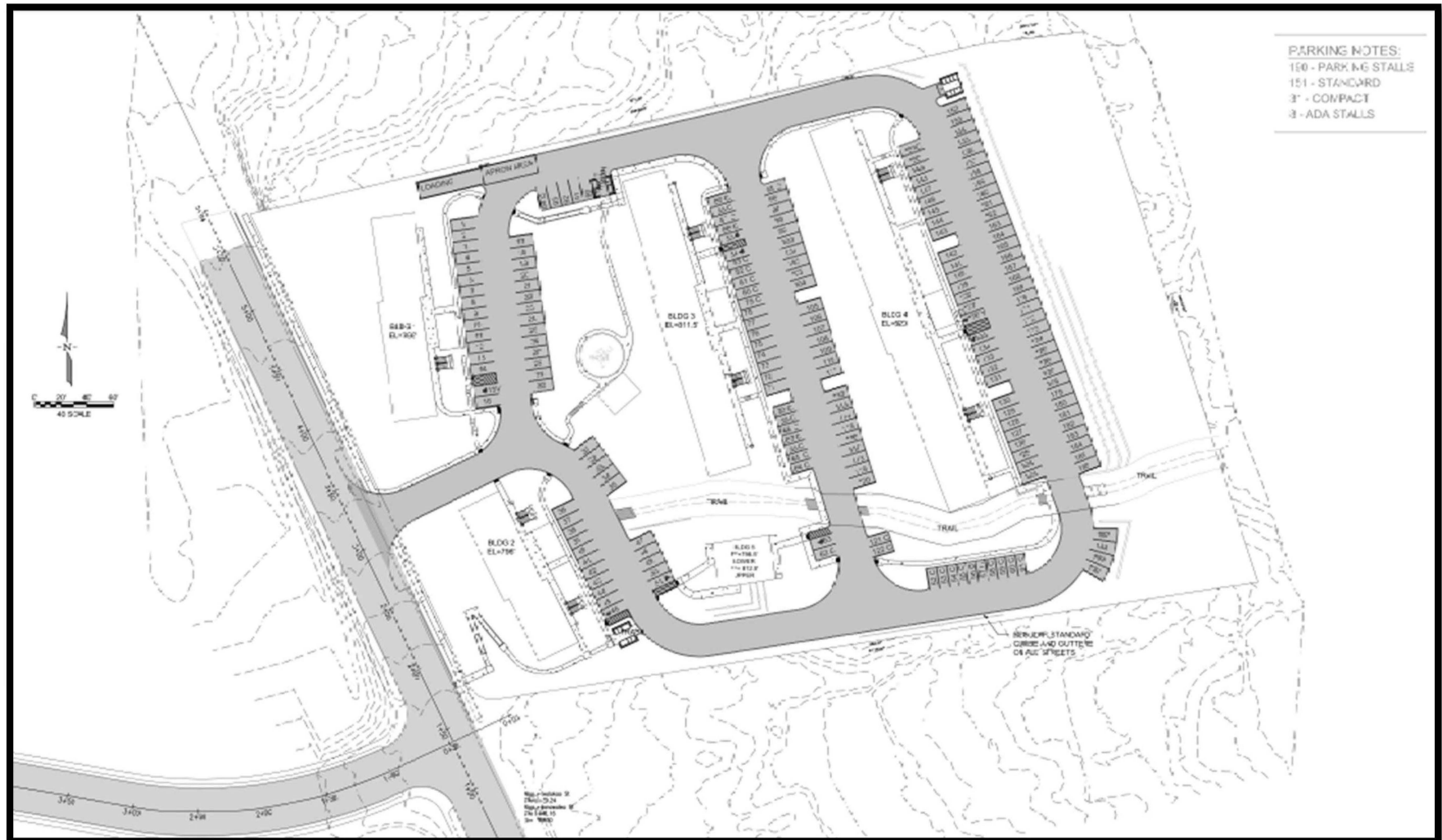


Exhibit 3: Rendering



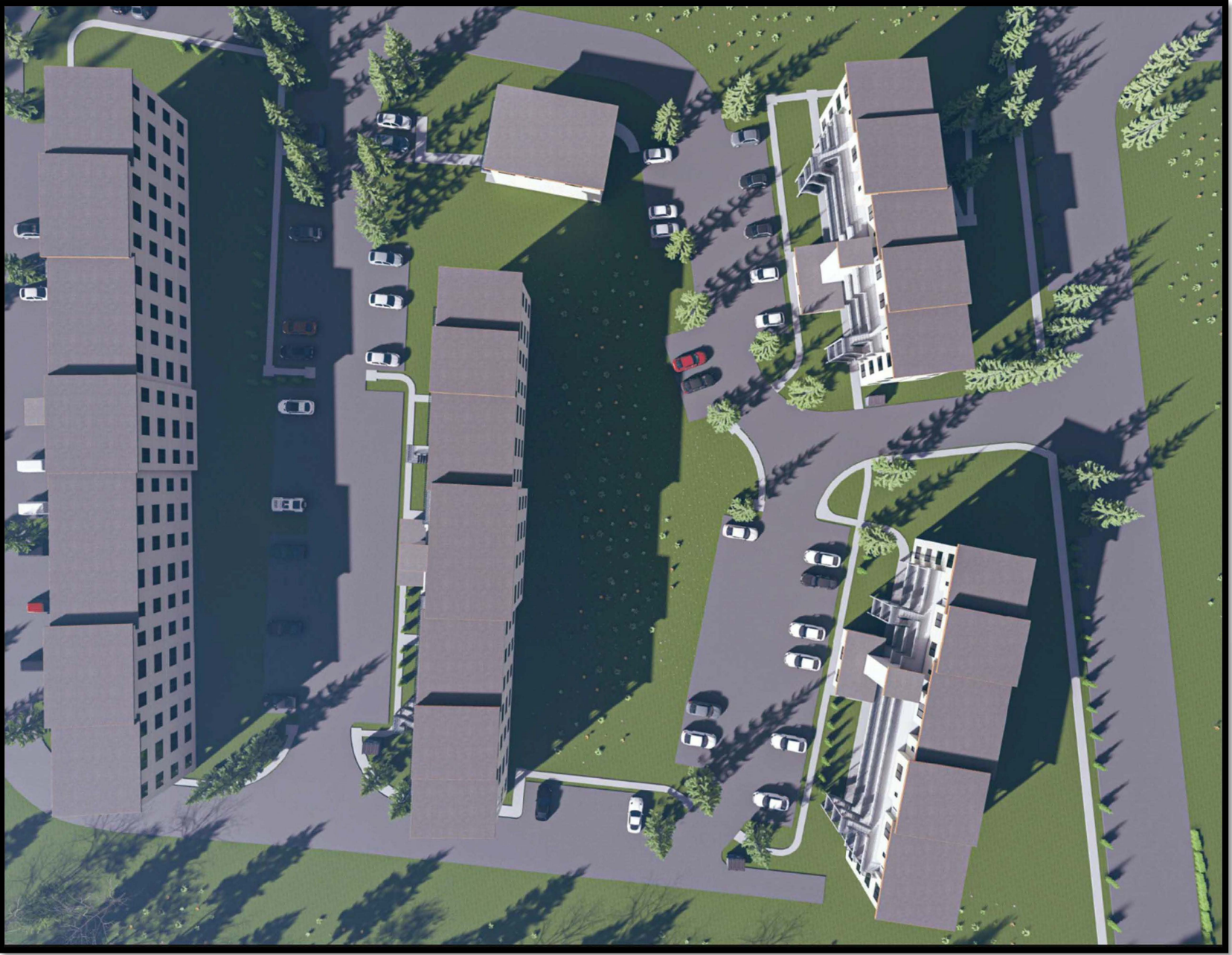


Exhibit 4: State Land Use District Map



4/29/2025, 1:13:43 PM

State Land Use Classifications (SLU)

Agricultural

Urban

Parcels (current boundary lines)

Address Points

Street Centerlines

Hawaii County District Boundary

1:2,257

0 0.03 0.05 0.1 mi
0 0.04 0.08 0.16 km

Esri Community Maps Contributors, © OpenStreetMap, Microsoft, Esri, TomTom, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, EPA, US Census Bureau, USDA, USFWS, County of Hawaii IT Department, Sources: Esri, Maxar, Airbus DS, USGS,

Web AppBuilder for ArcGIS

The contents of this map were prepared for informational and planning purposes only and may not have been prepared for or be suitable for legal, engineering, or surveying purposes.

Source: <https://histategis.maps.arcgis.com/apps/webappviewer/index.html?id=b843c728b4cb4333b1df015fdaa84104>

Exhibit 5: City and County of Honolulu Zoning Map



4/29/2025, 1:15:59 PM

Hawaii County Zoning

(road)

A-1a

RM-2

RM-5

RS-10

RS-7.5

Parcels (current boundary lines)

Address Points

Street Centerlines

Hawaii County District Boundary

1:2,257

0 0.03 0.05 0.1 mi
0 0.04 0.08 0.16 km

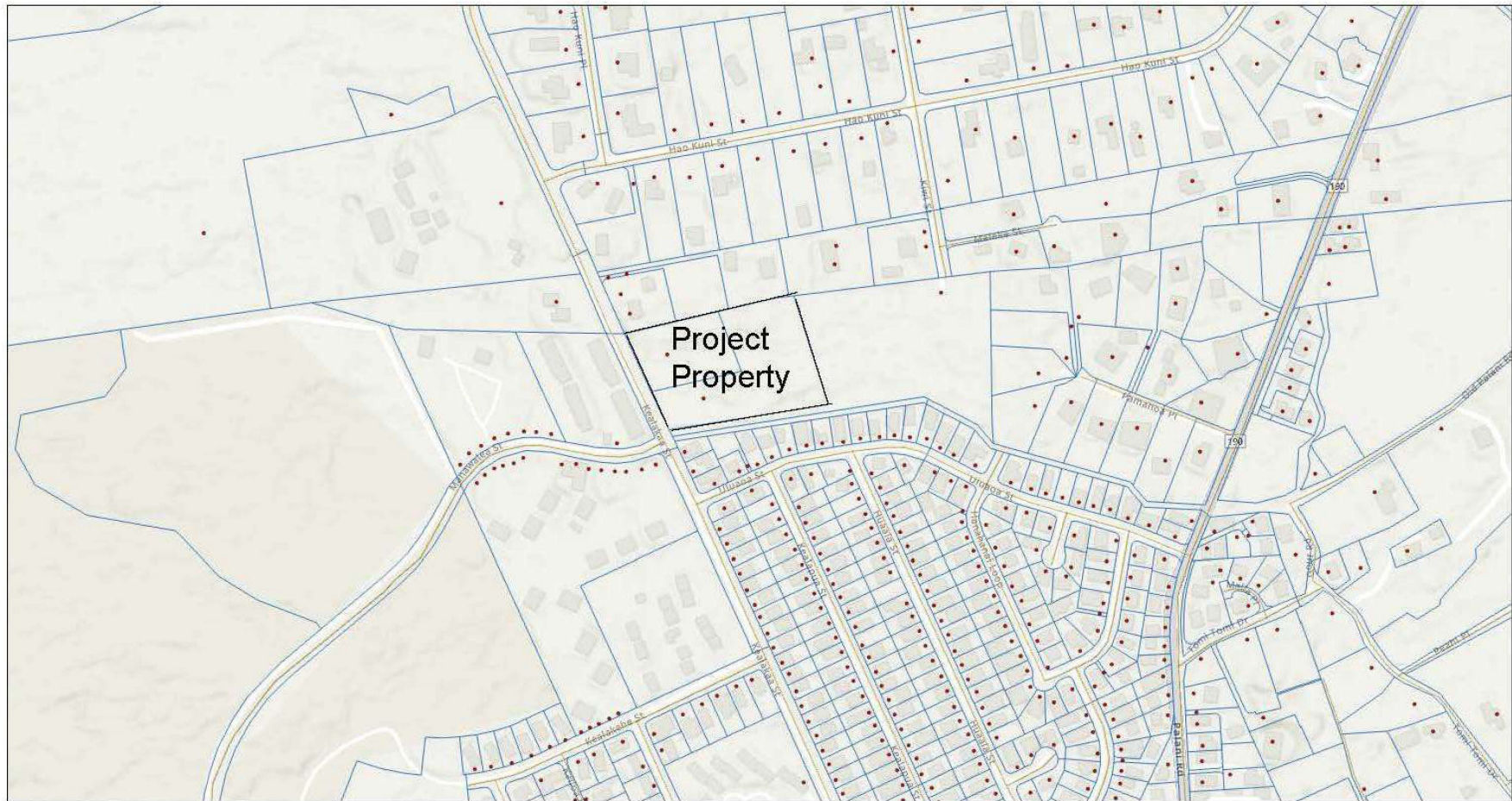
Esri, Community Maps Contributors, © OpenStreetMap, Microsoft, Esri, TomTom, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, EPA, US Census Bureau, USDA, USFWS, County of Hawaii IT Department, Sources: Esri, Maxar, Airbus DS, USGS,

Web AppBuilder for ArcGIS

The contents of this map were prepared for informational and planning purposes only and may not have been prepared for or be suitable for legal, engineering, or surveying purposes.

Source: <https://www.planning.hawaiicounty.gov/home/showpublisheddocument/303722/637660308859300000>

Exhibit 6: Special Management Area Map



4/29/2025, 2:51:17 PM

Special Management Area (SMA)

No

Parcels (current boundary lines)

Address Points

Street Centerlines

Hawaii County District Boundary

1:4,514

0 0.05 0.1 0.2 mi
0 0.07 0.15 0.3 km

Esri Community Maps Contributors, © OpenStreetMap, Microsoft, Esri, TomTom, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, EPA, US Census Bureau, USDA, USFWS, County of Hawaii IT Department, Sources: Esri, Maxar, Airbus D.S, USGS,

Web AppBuilder for ArcGIS

The contents of this map were prepared for informational and planning purposes only and may not have been prepared for or be suitable for legal, engineering, or surveying purposes.

Source: <https://histategis.maps.arcgis.com/apps/Viewer/index.html?appid=f30604a60fe64945af7442c7c08174f9>

Exhibit 7: Flood Zone Map



5/13/2025, 9:56:23 AM

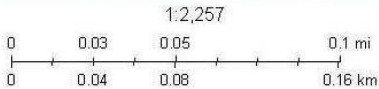
- National Flood Hazard Layer Flood Zones

X

Parcels (current boundary lines)
- Address Points

Street Centerlines

Hawaii County District Boundary



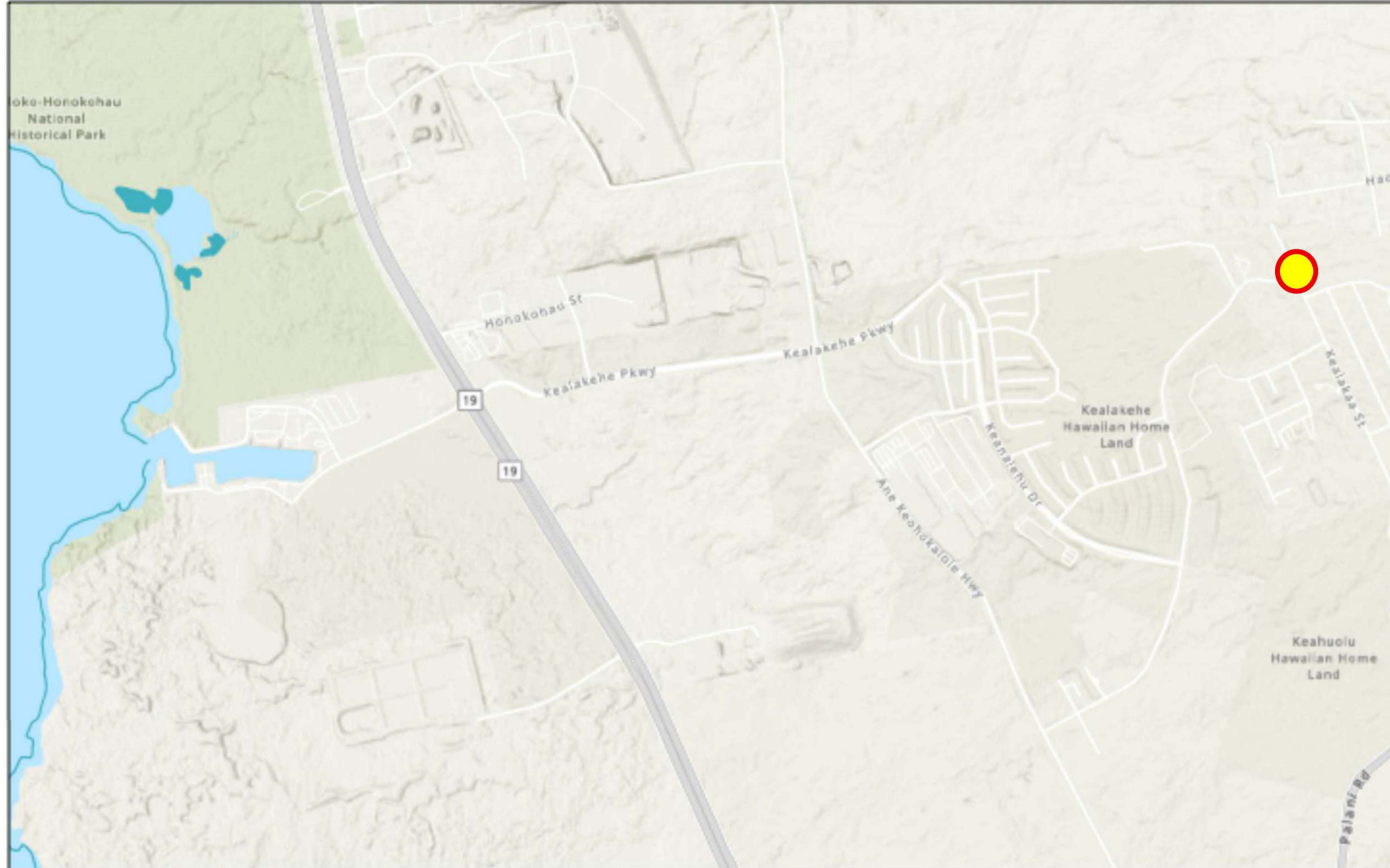
Esri Community Maps Contributors, © OpenStreetMap, Microsoft, Esri, TomTom, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, EPA, US Census Bureau, USDA, USFWS, County of Hawaii IT Department, Sources: Esri, Maxar, Airbus DS, USGS,

Web AppBuilder for ArcGIS

The contents of this map were prepared for informational and planning purposes only and may not have been prepared for or be suitable for legal, engineering, or surveying purposes.

Source: <https://fhat.hawaii.gov/>

Exhibit 8: Wetlands Map



6/10/2025

Wetlands

Estuarine and Marine Wetland

World_Hillshade

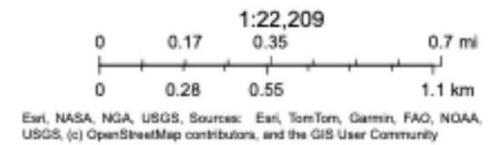
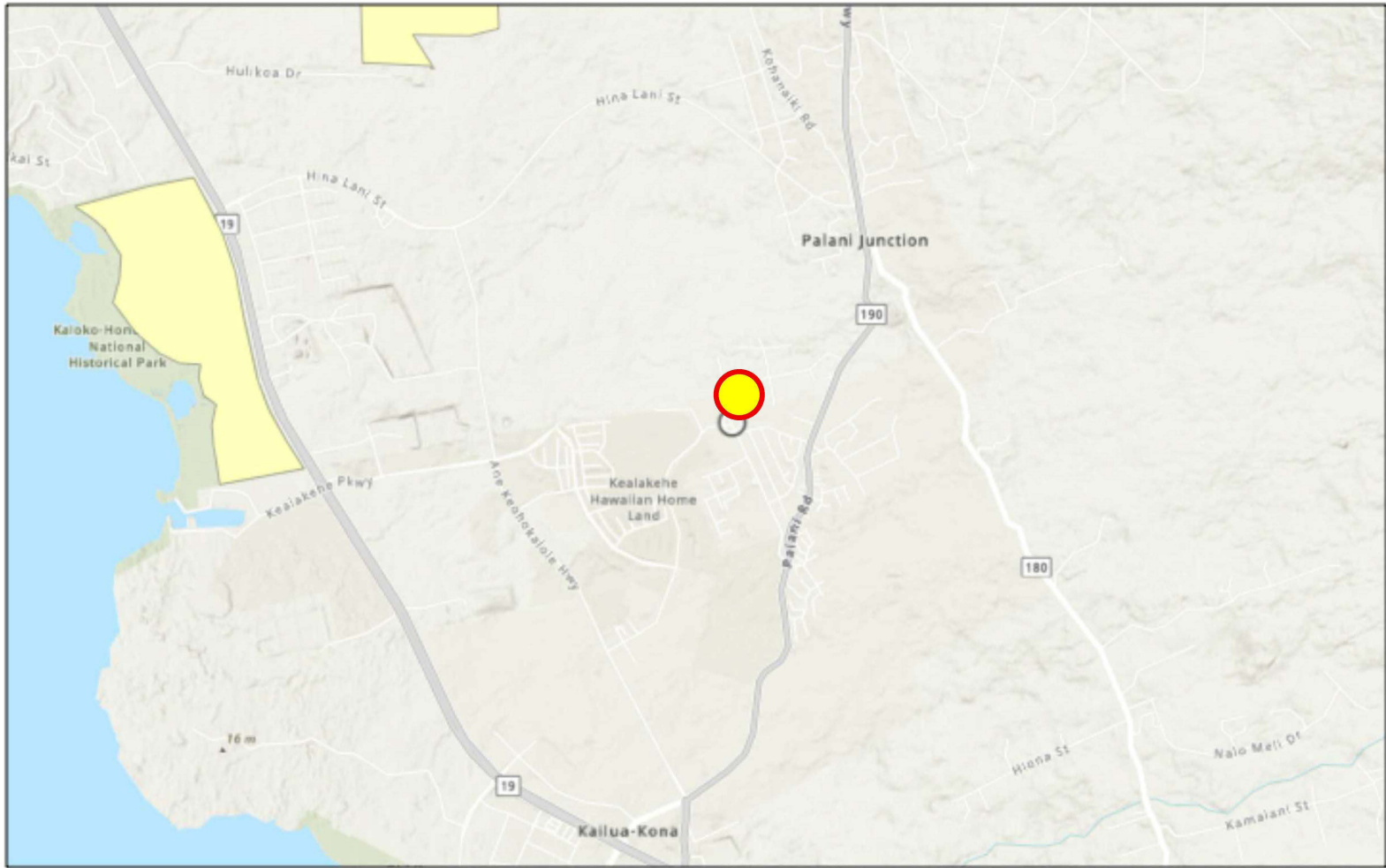


Exhibit 9: Critical Habitat Map



6/10/2025

Areas of Critical Habitat (Consolidated) - Statewide Areas of Critical Habitat
World_Hillshade

1:44,418
0 0.35 0.7 1.4 mi
0 0.5 1 2 km
Eri, NASA, NGA, USGS, Sources: Eri, TomTom, Garmin, FAO, NOAA, USGS, (c) OpenStreetMap contributors, and the GIS User Community