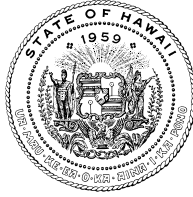


**JOSH GREEN, M.D.**  
GOVERNOR

**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:  
26:PECB/48

April 29, 2026

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

Dear Ms. Evans:

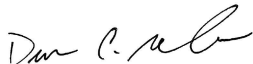
Subject: Environmental Assessment Exemption Notice  
Cardinal o Waikiki (Project)  
Tax Map Key: (1) 2-6-028:029

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.

Cardinal Waikiki Beach LLC (Applicant) plans to develop a 32-unit affordable rental project located at 2533 Kaneloa Road (Project Site) in Honolulu on the corner of Kaneloa Road and Paokalani Avenue. The Project Site is currently vacant. Situated on a 0.1482 acre or 6,456 square foot parcel, the Project will include one six-story building. Twenty-four units will be one-bedroom units and 8 units will be two-bedroom units.

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,

  
Dean Minakami  
Executive Director

Attachment

# **CARDINAL O WAIKIKI 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,<sup>1</sup> 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).

- 6. Demolition of structures, except those structures that are listed on the national register or Hawaii Register of Historic Places.

**Part 2 Actions** – Includes structures that require further consideration because of their potential impacts to the surrounding community. For example, demolition of structures that contains high levels of hazardous materials; demolition of structures that creates significant noise, fugitive dust or other adverse impacts; or demolition of structures that leads to a loss of amenities for the public.

- 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).

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<sup>1</sup> 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](https://files.hawaii.gov/dbedt/erp/Agency_Exemption_Lists/State-Hawaii-Housing-and-Finance-Development-Corporation-2022-11-01-Exemption-List.pdf)

**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.

**DESCRIPTION OF ACTION**

**Proposing Agency or Applicant:** Cardinal Waikiki Beach LLC (Applicant) is located at 1620 Ala Moana Boulevard, Suite 510, Honolulu, HI 96815. The Hawaii Housing Finance and Development Corporation (HHFDC) is the approving agency of this exemption notice.

**Project Name & Address/Location:** Cardinal o Waikiki (Project) is located at 2533 Kaneloa Road; Waikiki Ahupuaa; Honolulu, HI 96815 (Project Site).

**Estimated Construction Schedule:** Construction start: July 2026 / Construction completion: June 2027

**Tax Map Key (TMK) and latitude/longitude coordinates (in decimal degrees):** TMK: (1) 2-6-028:029; Coordinates: 21.274061, -157.820587

**Anticipated Permits, Approvals, and Notifications:**

Permitting Agency	Permit Type
City and County of Honolulu (CCH)	Demolition, grading, trenching, and building permits (DPP) Construction dewatering permit (DPP) Foundation and structure permits (DPP) Wastewater and stormwater connection permits (DPP) Site Development Division approval (DPP) Surface runoff from construction activities entering into City’s storm sewer system (DPP) Construction Plan Review (DTS, DDC) Street usage permit (DTS) Water Availability Approval and Construction Plan Review (BWS) Honolulu Fire Department review Certificate of Occupancy (DPP)
State of Hawaii	Community noise permit (DOH) ADA Coordination (DCAB) Chapter 6E, HRS review (SHPD)

**NARRATIVE**

Cardinal Waikiki Beach LLC proposes to develop one six-story building, consisting of a single six-story precast concrete residential housing complex. The Project will include six vehicular parking stalls, including one ADA stall, and one on-site loading zone; one elevator; trash chute; secured lobby with community laundry room; and necessary building utility and service access.

The Project’s affordability structure is as follows: during the first 15 years, 80% of the available units will be restricted to households at or below 100% of the Area Median Income (AMI) and

20% of the available units will be restricted to households at or below 80% of the AMI. During years 16 through 30, 80% of the available units will be restricted to households at or below 140% AMI and 20% of the available units will remain restricted to households at or below 80% of the AMI. Below is a matrix detailing the number of units by affordability restriction:

Affordable Units – Years 1 to 15		
Income restricted at:	Number of units	Percent of total units
80% AMI	7	21.9%
100% AMI	25	78.1%
<b>Total Units:</b>	<b>32 units</b>	<b>100%</b>

Affordable Units – Years 16 to 30		
Income restricted at:	Number of Units	Percent of total units
80% AMI	7	21.9%
140% AMI	25	78.1%
<b>Total Units:</b>	<b>32 units</b>	<b>100%</b>

The Applicant is seeking state financing through HHFDC’s Dwelling Unit Revolving Fund (DURF), including a requested DURF interim loan as a part of a \$17,600,000 total development budget. Other funding sources include senior debt from American Savings Bank, a pre-construction subsidy from the CCH, and developer equity. Consequently, HHFDC will be the approving agency for HRS 343 compliance purposes due to the use of a State financing program.

**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 checked="" type="checkbox"/> Recreational Resources                                | <input 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 checked="" type="checkbox"/> Terrestrial and Avian Resources                       | <input type="checkbox"/>            |
| <input checked="" type="checkbox"/> Surface and Ground Water Resources                    | <input 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 checked="" type="checkbox"/> Solid, Hazardous, and Liquid Waste Emissions          | <input 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 the Waikiki Special District, Apartment Precinct, and within the State Urban Land Use District. The Project is outside the Special Management area. The Project will be developed under ROH Chapter 32, also known as Bill 7, which provides for a maximum 60-foot height. Under ROH Chapter 32, the Project qualifies for certain incentives for restricting the Project to affordable rents.
2. *Traffic.* Ingress and egress to the Project will be through the main driveway located on Kaneloa Road. Kaneloa Road is a two-way, two-lane roadway. Currently, there are zero cars parked on the existing parcel(s) daily, but previously, up to 15 cars were parked there. This Project would add seven total parking stalls, which is an increase of seven additional vehicles that could use the roadways. The addition of seven vehicles will have minimal impact on traffic conditions. As such, this Project is not anticipated to have any significant effects on traffic.
3. *Infrastructure.* The Applicant's consultant prepared a Preliminary Engineering Report (PER) for the Project.

*Water:* The existing water system in the Waikiki area includes an 8-inch cast-iron main along Paokalani Avenue. Off-site water infrastructure improvements are anticipated for a new 6" fire sprinkler service and 2" potable water service laterals connected to the existing CCH Board of Water Supply (BWS) 8" main. The CCH BWS determined that the existing water system determined that the existing water system is currently adequate to accommodate the project. BWS sent a letter on June 21, 2024, which confirmed the water system can support the 32-unit development but noted capacity issues from the Halawa Shaft shutdown, which will require a final evaluation.

*Sewer:* The Project will connect to the existing wastewater point of connection and will be designed to remain within allowable flow limits. No off-site improvements are currently anticipated. CCH, Department of Planning and Permitting, Wastewater Branch, approved a sewer connection application confirming system capacity on August 12, 2024.

*Drainage:* The Project will comply with the Stormwater Quality Standards adopted by CCH. All building roof drainage will be discharged at grade, which will be comprised of both impervious and pervious surfaces. Landscaped areas will be installed on both the ground floor and the second level of the building, aiding in runoff reduction. The Project is not expected to require significant off-site drainage improvements. Since the Project Site is located within the FEMA Zone AE, the lowest residential floor elevation will be set above the 5.8' Base Flood Elevation (BFE) to ensure flood resilience.

*Electricity:* The Project will connect to the existing electrical infrastructure serving Waikiki. Load demand and service requirements are confirmed through coordination with Hawaiian Electric Company, and no major off-site upgrades are anticipated at this time.

*Gas:* The existing Hawaii Gas Service lateral is abandoned. Hawaii Gas will provide a new gas lateral, meter, and regulator.

*Telephone and Cable Services:* Telecommunications infrastructure, including telephone, cable television, and high-speed data service, is available in the area through existing providers serving Waikiki. The project is expected to connect to existing telecommunications infrastructure available within the corridor. No off-site improvements are anticipated.

4. *Visual.* The Project is located within the Primary Urban Center in a highly urbanized area designated for urban development. There is a mix of high-rise residential and hospitality buildings within the Project's vicinity. The Project is located in the Waikiki Special District. The general vicinity is characterized by commercial mixed-use, with Paokalani Avenue to the west serving as a high-intensity corridor with various hospitality establishments and residential condominiums.

Within this context, while the Project may have a visual impact compared to existing conditions, the Project is in an area where high-density urban development is planned and anticipated. However, to mitigate visual impacts, the Project design includes appropriate setbacks, attention to orientation and massing, and activation of street-level views.

5. *Flood.* The Project Site is in the AE flood zone with a 5.8-foot base flood elevation (BFE) and within the Tsunami Evacuation Zone. These are known urban site conditions in Waikiki and have been addressed through both the Project's architectural design and ongoing coordination with the CCH Department of Planning and Permitting (DPP). DPP has already reviewed the Project at a planning level in connection with the proposed affordable rental housing development at 2533 Kaneloa Road.

The building has been designed specifically to respond to the Project Site's floodplain conditions. The residential component of the Project is elevated above the 5.8-foot BFE, with all residential floor area located on the second floor and above. The current design places five residential floors above a ground floor, which materially reduces exposure of occupied residential areas to flood risk. Based on the current topographic conditions, with site grades ranging from approximately 5.5 feet to 6.3 feet, the design also elevates most of the ground-level building area such that only a limited area associated with the stair base and elevator pit is below the 5.8-foot BFE.

6. *Cultural, Historic, and Archeological Resources.* The Project Site has undergone significant previous disturbance associated with its historical residential use, subsequent demolition, and later fill activity. In connection with the HRS Chapter 6E review process, the Applicant engaged International Archaeology, LLC to complete an Archaeological Inventory Survey (AIS) with subsurface testing for the Project Site. The AIS concluded that no archaeological sites, deposits, features, or human skeletal remains were documented within the trench excavations. The survey found that the site consists primarily of twentieth-century fill overlying non-archaeological soils and natural Jaucas sand.

Because of the broader archaeological sensitivity of the Waikiki area and the presence of Jaucas sands, State Historic Preservation Division (SHPD) required archaeological monitoring during construction, notwithstanding the AIS's negative findings. To address that requirement, the Applicant's archaeological consultant prepared an Archaeological Monitoring Plan (AMP) to guide all ground-disturbing work associated with the Project.

The AIS and AMP were submitted to the SHPD as a part of the HRS Chapter 6E process. SHPD confirmed that the AMP meets the minimum requirements of HAR 13-279-4 and is accepted, and further notified the CCH DPP that the project initiation process may continue. The Applicant will therefore implement the accepted AMP and comply with any archaeological monitoring, reporting, and treatment requirements imposed by SHPD during construction.

7. *Environmental Site Assessment and Controlled Recognized Environmental Condition.* The Applicant's environmental consultant prepared a draft Phase I Environmental Site Assessment (ESA) report. The Phase I ESA revealed no evidence of recognized environmental conditions (RECs), controlled recognized environmental conditions (CRECs), or significant data gaps in connection with the property.
8. *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.
9. *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.
10. *Cumulative Impacts.* The Project, along with other planned developments in Waikiki, will contribute to cumulative impacts. However, the Project and other projects in the area are consistent with the CCH's *General Plan, Primary Urban Center Development Plan*, and with the established development pattern of Waikiki as a dense, mixed-use, urban neighborhood where residential, visitor, and commercial uses are expected and intended to coexist.

The Project is a compact infill affordable/workforce housing development on a small vacant parcel within an already highly urbanized setting. As such, it does not introduce a new or incompatible land use but instead advances the planned intensification of housing within the existing urban core, where infrastructure, transit access, employment centers, and public services are already concentrated. Concentrating new housing in Waikiki is consistent with broader City and State planning objectives to accommodate population growth within the urban core, expand housing opportunities near jobs and services, and reduce development pressure on Oahu's outlying and rural areas.

Accordingly, while the Project will incrementally contribute to cumulative urban impacts in the area, those effects are part of the anticipated and planned pattern of growth for Waikiki and Honolulu's Primary Urban Center. In that context, the Project represents an appropriate and policy-consistent urban infill housing development rather than a project that would create unusual or unplanned cumulative impacts. Thus, while the Project will contribute to cumulative impacts in the area, growth in this area is planned, desired, and anticipated.

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

1. The sole trigger for compliance with HRS 343 is the use of State funds and lands as described above.
2. The Project site is within the State Urban district.
3. The Project Site is located within the Waikiki Special District, Apartment Precinct, according to the City and County of Honolulu (CCH) zoning classification. Housing and multifamily dwellings are permitted in the Apartment Precinct of the Waikiki Special District. The construction of 32 multifamily dwelling units is consistent with this designation.
4. The Project does not require variances for shoreline setbacks. The Project may be considered to be in an environmentally sensitive area based on characteristics listed below (under HAR 11-200.1-13 (b) (11)), an environmentally sensitive area includes “floodplain, tsunami zone, sea level rise exposure area, beach, erosion-prone area, geologically hazardous land, estuary, fresh water, or coastal water”). Despite such siting, the Project’s proposed mitigation measures address natural hazards related to the Project’s location and decrease the risk that the action will have a significant effect on the environment. The Project site:
  - a. Is approximately one mile from the nearest shoreline and not within the Special Management Area.
  - b. Is in Flood Zone AE. The Project Site is located in the AE Flood zone with a 5.8-foot BFE. The Project location in the AE flood zone, which is a known urban site condition in Waikiki and has been addressed through both the Project’s architectural design and ongoing coordination with DPP. The building has been specifically designed to respond to the Project Site’s floodplain conditions. The residential component of the Project is elevated above the 5.8-foot BFE, with all residential floor area located on the second floor and above. The current design places five residential floors above a ground floor, which materially reduces exposure of occupied residential flood areas to risk. Based on the current topographic conditions, with site grades ranging from approximately 5.5 feet to 6.3 feet, the design also elevates most of the ground-level building area such that only a limited area associated with the stair base and elevator pit is below the 5.8-foot BFE.
  - c. Does not contain any streams or wetlands, nor any designated critical habitat.
  - d. Is within the “Tsunami Evacuation Zone”. The Project is located within the Tsunami Evacuation Zone, which is typical of much of Waikiki and is appropriately mitigated by the Project’s urban location, building design, and operational planning. The Project Site is situated within a dense, fully urbanized area with immediate access to established public streets, including Kaneloa Road and Paokalani Avenue, which provides residents with direct access to existing tsunami evacuation routes and higher ground. In addition, the Project has been designed so that all residential floor area is located on the second floor and above, thereby reducing the exposure

of occupied dwelling units to tsunami-related hazards at grade. As a mid-rise precast concrete residential building in an already developed urban setting, the Project provides a more durable and resilient form of housing than lower-density or ground-oriented residential improvements at the same location. The Project will also incorporate appropriate resident emergency preparedness and evacuation procedures, including posted evacuation information and property management protocols, so that occupants are informed of evacuation expectations in the event of a tsunami warning. Taken together, the Project's location within an established urban evacuation network, its elevation of all residential occupancy above the ground level, its durable construction type, and its planned emergency procedures provide a strong and reasonable basis for development notwithstanding its location within the Tsunami Evacuation Zone.

## CONSULTATIONS

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

Agency/Community Outreach	Name	Consultation Date
Waikiki Neighborhood Board No. 09	Robert Finley, Chair	03/24/2026
Hawaii Department of Transportation (DOT)	Ed Sniffen, Director	03/24/2026
Hawaii Department of Education (DOE)	Keith Hayashi, Superintendent	03/24/2026
Hawaii Department of Health (DOH)	Kenny Fink, Director	03/24/2026
Office of Planning and Sustainable Development (OPSD)	Mary Alice Evans, Director	03/24/2026
CCH, Department of Planning and Permitting (DPP)	Dawn Takeuchi-Apuna, Director	03/24/2026
CCH, Department of Housing and Land Management	Kevin Auger, Director	03/24/2026
CCH, Department of Transportation Services (DTS)	J. Roger Morton, Director	03/24/2026
CCH, Department of Design and Construction (DDC)	Haku Miles, Director	03/24/2026

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

Agency	Comment	Response
DPP	DPP, in their email dated April 9, 2026, provided concurrence that the Project meets the necessary criteria and can be exempted from HRS Chapter 343.	Comment acknowledged.
DDC	DDC, in their letter dated April 6, 2026, had no comments.	Comment acknowledged.
OPSD	OPSD, in their email dated April 2, 2026, supports exempting the Project from preparing an Environmental Assessment based on the use of 6 and 10 exemption types.	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.* 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. The AIS and AMP were submitted to and accepted by SHPD.
2. *Curtail the range of beneficial use of the environment.* The Project is in a highly urbanized area and is consistent with the CCH's *General Plan* and *Waikiki Special District Design Guidelines (2021)*. The Project Site is located within the Waikiki Special District, Apartment Precinct, which is on the mauka side of Waikiki's "Resort District." 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. The overall intensification of land uses within the area is a major goal of CCH's long-range vision for Oahu and is consistent with CCH's general development pattern goals. These plans emphasize keeping the existing urban core of Honolulu as the primary urban center of the island, with a secondary center in Ewa, to keep Oahu's remaining rural areas rural.
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 benefit the local economy by creating 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. Minimal redistribution of population may occur as the Project will include up to 32 more units than are currently on the site. Thus, some Hawaii residents from outside the immediate Project area may choose to relocate to the Project. 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 the County or the State would require similar public facilities. Thus,

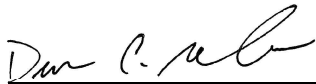
public facility funds from other areas could be allocated to public facilities serving the Project area.

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. 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.* As previously mentioned, the Project Site is located approximately 1,150 feet from the nearest shoreline, is not within the Special Management Area, does not contain any streams or wetlands, and does not include any area designated critical habitat; however, the Project Site is in the AE flood zone and the Extreme Tsunami Evacuation Zone.

To minimize hazards, design mitigation has been implemented into the Project. The residential component of the Project is elevated above the 5.8-foot BFE, with all residential areas located on the second floor and above. The current design places five residential floors above a ground floor, which materially reduces exposure of occupied residential areas to flood risk. Based on current topographic conditions, with site grades ranging from approximately 5.5 feet to 6.3 feet, the design also elevates most of the ground-level building area such that only a limited area associated with the stair base and elevator pit is below the 5.8-foot BFE. As a mid-rise precast concrete residential building in an already developed urban setting, the Project provides a more durable and resilient form of housing than lower-density or ground-oriented residential improvements at the same location. The Project will also incorporate appropriate resident emergency preparedness and evacuation procedures. Additionally, the project will comply with all other requirements of ROH 21A for construction within the AE flood zone.

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. The Project is bounded on three sides by high-rise residential structures that are currently well in excess of the proposed 60' height of the six-story Project. Public views toward the Project Site are available from Kaneloa Road at the Paokalani Avenue intersection. The Project will not affect any of the Significant Public Views (neither Corridor Views nor Panoramic Views) as designated on Figures 2.4 and 2.5 of the Primary Urban Center Development Plan (2025).
  
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 that 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

04/30/2026

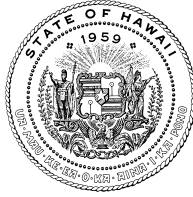
Date

Attachment: Typical Consultation Packet with the listed exhibits below:

- Exhibit 1 – Location and Surrounding Uses Map
- Exhibit 2 – Tax Map Key
- Exhibit 3 – Site Plan
- Exhibit 4 – Project Renderings
- Exhibit 5 – State Land Use District Map
- Exhibit 6 – City and County of Honolulu Zoning Map
- Exhibit 7 – Special Management Area Map
- Exhibit 8 – Flood Zone Map
- Exhibit 9 – Tsunami Evacuation Map
- Exhibit 10 – Wetland Map
- Exhibit 11 – 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:

**26:PECB/34**

March 24, 2026

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

Subject: Consultation for an Environmental Assessment Exemption  
Cardinal o Waikiki Project  
2533 Kaneloa Road; Honolulu, Oahu  
Tax Map Key (1) 2-6-028:029

Dear Mr. Sniffen,

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 Cardinal o Waikiki Apartments 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 April 22, 2026, to make this determination.

Cardinal Waikiki Beach, LLC (Applicant) has submitted an application for State funding under HHFDC's Dwelling Unit Revolving Fund program. Consequently, HHFDC will be the approving agency for HRS 343 compliance due to the use of a State financing program.

The Project will be a 32-unit affordable rental project located at 2533 Kaneloa Road (Project Site) in Honolulu, on the corner of Kuhio Avenue and Paokalani Avenue (See Exhibit 1 Location and Surrounding Uses and Exhibit 2 Tax Map Key). The Applicant has site control through fee ownership of the Project Site, which has a total land area of 0.1482 acre or 6,456 square feet, and is located in the Waikiki Special District, Apartment Precinct, and within the State Urban Land Use District.

The Project Site is currently vacant. The Project will consist of a single six-story precast concrete building with 32 rental units, seven parking stalls, one elevator, a secured lobby, and a community laundry room. See Exhibit 3 Site Plan and Exhibit 4 Project Renderings.

This Project is being developed under Chapter 32, Revised Ordinances of Honolulu (ROH), also known as Bill 7.

The Project’s affordability structure is as follows: during the first 15 years, 80% of the available units will be restricted to households at or below 100% of the Area Median Income (AMI) and 20% of the available units will be restricted to households at or below 80% of the AMI. During years 16 through 30, 80% of the available units will be restricted to households at or below 140% AMI and 20% of the available units will remain restricted to households at or below 80% AMI. Below is a matrix detailing the number of units by affordability restriction and bedroom type:

Affordable Units – Years 1 to 15		
Income restricted at:	Number of units	Percent of total units
80% AMI	7	21.9%
100% AMI	25	78.1%
<b>Total Units:</b>	<b>32 units</b>	<b>100%</b>

Affordable Units – Years 16 to 30		
Income restricted at:	Number of Units	Percent of total units
80% AMI	7	21.9%
140% AMI	25	78.1%
<b>Total Units:</b>	<b>32 units</b>	<b>100%</b>

HHFDC believes the Project may be declared exempt from the preparation of an environmental assessment based on HHFDC’s comprehensive exemption list,<sup>1</sup> which mirrors and exceeds the exemption criteria for affordable housing projects under HAR 11-200.1-15(c). The exemptions that HHFDC believes the Project may be eligible for are as follows:

**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 triggers for Chapter 343 compliance are the use of State and County housing funds and the Project’s location within Waikiki.

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<sup>1</sup> 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](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 Land Use District. See Exhibit 5 State Land Use District Map.

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

**Analysis:** Applicable, the Project is located in the Waikiki Special District, Apartment Precinct. See Exhibit 6 City and County of Honolulu Zoning Map.

*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 1,150 feet from the nearest shoreline.
- b. Is not within the Special Management Area (See Exhibit 7).
- c. Is in Flood Zone AE (See Exhibit 8). The Applicant has implemented design mitigation into the Project to minimize hazards. See the attached *Project Summary and Impacts Analysis* for more details.
- d. Is in the Extreme Tsunami Evacuation Zone (See Exhibit 9). The Applicant has implemented design mitigation into the Project to minimize hazards. See the attached *Project Summary and Impacts Analysis* for more details.
- e. Does not contain any streams or wetlands (See Exhibit 10).
- f. Does not include any area designated critical habitat (See Exhibit 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.*

**Analysis:** Applicable, enclosed is a *Project Summary & Impact Analysis* providing further details of pre-assessment consultations conducted by the Applicant.

Mr. Ed Sniffen  
March 24, 2026  
Page 4

The following studies have been completed to support the findings of the impact analysis and are available upon request:

- a. Civil Engineering Construction Drawings, including Site Drainage and Best Management Practices Plan and Erosion and Sediment Control Plan, prepared by Engineering Dynamics Corporation.
- b. Phase I Environmental Site Assessment by Partner Engineering and Science, Inc.
- c. Archaeological Inventory Survey with Test Trenching and Archeological Monitoring Plan prepared by International Archeology, LLC.

All necessary approvals and permits will be obtained for the Project, including those for grading, building, and other relevant activities.

Please email any comments you may have to [keri.higa@hawaii.gov](mailto:keri.higa@hawaii.gov) by April 22, 2026. If you have any questions, please contact Keri Higa at the email listed above or at (808) 587-0577.

Sincerely,

*Dean Watase*

Dean Watase  
Housing Planning Manager

Attachment

## CARDINAL O WAIKIKI PROJECT PROJECT SUMMARY & IMPACT ANALYSIS

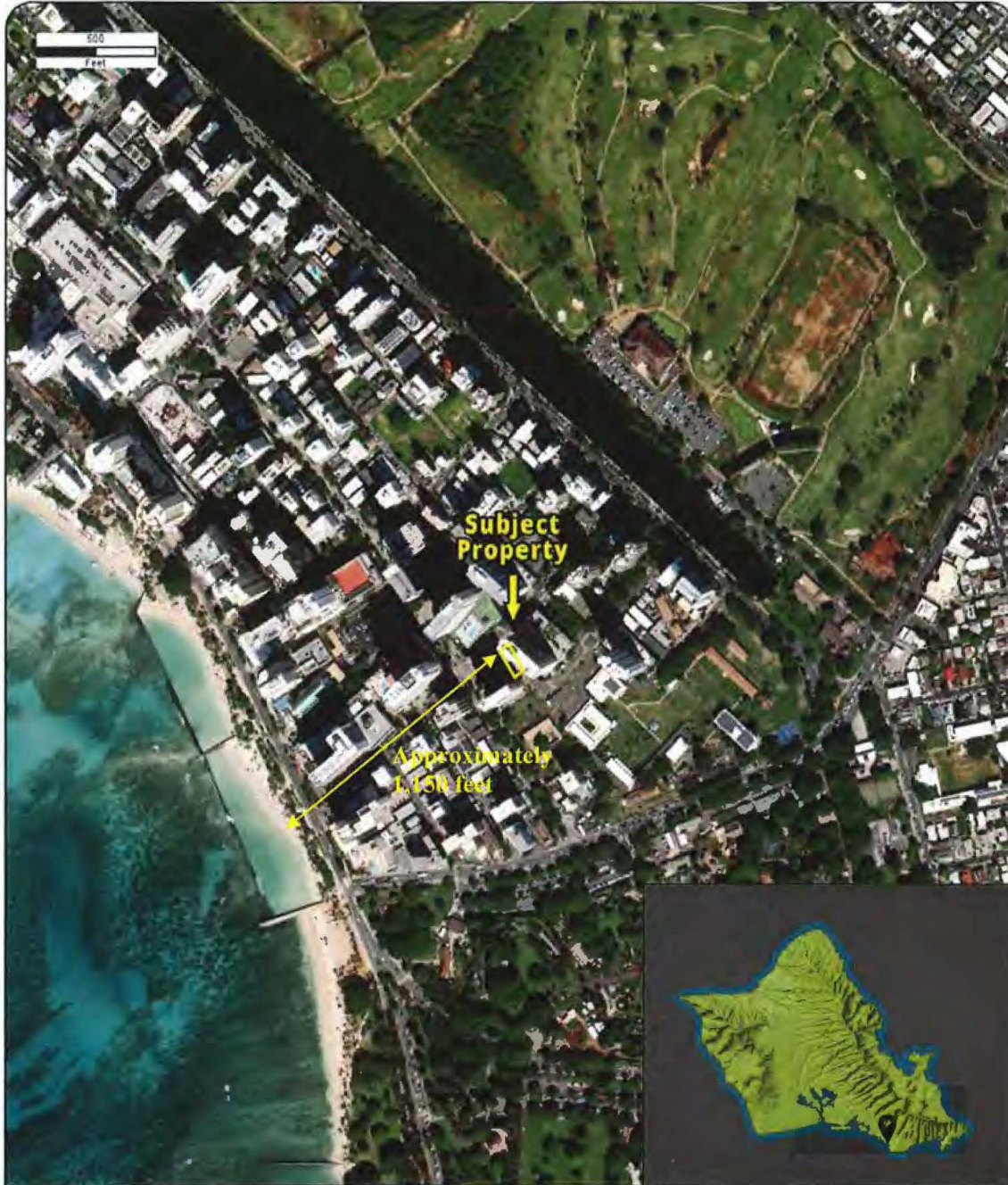
DESCRIPTION	PROJECT INFORMATION
Location and Tax Map Key	2533 Kaneloa Road; Honolulu, Oahu. Tax Map Key: (1) 2-6-028:029.
Project Site	≈ 0.1482 acres
Total Units	32
Affordability	<p>The Cardinal o Waikiki Project (Project) will be a multi-family affordable rental housing development. The unit mix for the Project is anticipated to be as follows:</p> <p>Affordable Units – Years 1 to 15</p> <ul style="list-style-type: none"> <li>• One-Bedroom Units: <ul style="list-style-type: none"> <li>○ Seven at 80% AMI;</li> <li>○ Twenty-Five at 100% AMI</li> </ul> </li> </ul> <p>Affordable Units – Years 16 to 30</p> <ul style="list-style-type: none"> <li>• One-Bedroom Units: <ul style="list-style-type: none"> <li>○ Seven at 80% AMI;</li> <li>○ Twenty-Five at 140% AMI</li> </ul> </li> </ul>
Parking	Six on-site parking stalls, including one ADA stall, and one on-site loading zone.
Stories/Heights	One six-story building that will be 60 feet.
Exemptions	None.

RESOURCE AREA	SUMMARY OF POTENTIAL IMPACTS
LAND USE & ZONING	<p>The Project is in the Waikiki Special District, Apartment Precinct, and within the State Urban Land Use District. The project is outside the Special Management Area.</p> <p>The Project will be developed under ROH Chapter 32, also known as Bill 7, which provides for a maximum 60-foot height. Under ROH Chapter 32, the Project qualifies for certain incentives for restricting the Project to affordable rents.</p>
TRAFFIC	<p>Ingress and egress to the Project will be through the main driveway located on Kaneloa Road. Kaneloa Road is a two-way, two-lane roadway. Currently, there are zero cars parked on the existing parcel(s) daily, but previously parked up to 15 cars. This Project would add seven total parking stalls, which is an increase of seven additional vehicles that could use the roadways. The addition of seven vehicles will have a minimal impact on traffic conditions. As such, this Project is not anticipated to have any significant effects on traffic.</p>
INFRASTRUCTURE	<p>The Applicant's consultant prepared Civil Engineering Construction Documents for the Project.</p> <p><i>Water:</i> The existing water system in the Waikiki area includes an 8-inch cast-iron main along Paoakalani Avenue. Off-site water infrastructure improvements are anticipated for a new 6" fire sprinkler service and 2" potable water service laterals connected to the existing BWS 8" main. The City and County of Honolulu (CCH), Board of Water Supply (BWS) determined that the existing water system is currently adequate to accommodate the Project. BWS sent a letter on June 21, 2024, which confirmed the water system can support the 32-unit development but noted capacity issues from the Halawa Shaft shutdown, which will require a final evaluation.</p> <p><i>Sewer:</i> The Project will connect to the existing wastewater point of connection and will be designed to remain within allowable flow limits. No off-site sewer improvements are currently anticipated. CCH, Department of Planning and Permitting, Wastewater Branch approved a sewer connection application confirming system capacity on August 12, 2024.</p> <p><i>Drainage:</i> The Project will comply with the Stormwater Quality Standards adopted by CCH. All building roof drainage will be discharged at grade, which will be comprised of both impervious and pervious surfaces. Landscaped areas will be installed on both the ground floor and the second level of the building, aiding in runoff reduction. The development is not expected to require significant off-site drainage improvements. Since the Project Site is located within the FEMA Zone AE, the lowest residential floor elevation will be set above the 6' Base Flood Elevation (BFE) to ensure flood resilience.</p> <p><i>Electricity:</i> The Project will connect to the existing electrical infrastructure serving Waikiki. Load demand and service requirements are confirmed through coordination with Hawaiian Electric Company, and no major off-site upgrades are anticipated at this time.</p>

	<p>Gas: The existing Hawaii Gas service lateral is abandoned. Hawaii Gas will provide a new gas lateral, meter, and regulator..</p> <p><i>Telecommunication Services:</i> Telecommunications infrastructure, including telephone, cable television, and high-speed data service, is available in the area through existing providers serving Waikiki. The Project is expected to connect to existing telecommunications infrastructure available within the corridor. No off-site improvements are anticipated.</p>
ENVIRONMENTAL SITE ASSESSMENT	<p>The Applicant's environmental consultant prepared a draft Phase I Environmental Site Assessment (ESA) report. The Phase I ESA revealed no evidence of recognized environmental conditions (RECs), controlled recognized environmental conditions (CRECs), or significant data gaps in connection with the property.</p>
VISUAL	<p>The Project is located within the Primary Urban Center in a highly urbanized area designated for urban development. There is a mix of high-rise residential and hospitality buildings within the Project's vicinity. The Project is located within the Waikiki Special District. The general vicinity is characterized by commercial mixed-use, with Paoakalani Avenue to the west serving as a high-intensity corridor with various hospitality establishments and residential condominiums.</p> <p>Within this context, while the Project may have a visual impact compared to existing conditions, the Project is in an area where high-density urban development is planned and anticipated. However, to mitigate visual impacts, the Project design includes appropriate setbacks, attention to orientation and massing, and activation of street-level views.</p>
CULTURAL, HISTORIC & ARCHEOLOGICAL	<p>The property has undergone significant previous disturbance associated with its historical residential use, subsequent demolition, and later fill activity. In connection with the HRS Chapter 6E review process, the Applicant engaged International Archaeology, LLC to complete an Archaeological Inventory Survey (AIS) with subsurface testing for the Project site. The AIS concluded that no archaeological sites, deposits, features, or human skeletal remains were documented within the trench excavations. The survey found that the site consists primarily of twentieth-century fill overlying non-archaeological soils and natural Jaucas sand.</p> <p>Because of the broader archaeological sensitivity of the Waikiki area and the presence of Jaucas sands, SHPD required archaeological monitoring during construction notwithstanding the AIS's negative findings. To address that requirement, the Applicant's archaeological consultant prepared an Archaeological Monitoring Plan (AMP) to guide all ground-disturbing work associated with the Project.</p> <p>The AIS and AMP were submitted to the State Historic Preservation Division (SHPD) as part of the HRS Chapter 6E process. SHPD confirmed that the AMP meets the minimum requirements of HAR § 13-279-4 and is accepted, and further notified the Department of Planning and Permitting that the project initiation process may continue. The Applicant will therefore implement the accepted AMP and comply with any archaeological monitoring, reporting, and treatment requirements imposed by SHPD during construction.</p>
FLOOD	<p>The Project Site is located in the AE flood zone with a 6-foot base flood elevation (BFE) and within the Tsunami Evacuation Zone. These are known urban site conditions in Waikiki and have been addressed through both the Project's architectural design and ongoing coordination with the City and County of Honolulu Department of Planning and Permitting (DPP). DPP has already reviewed the Project at a planning level in connection with the proposed affordable rental housing development at 2533 Kaneloa Road.</p> <p>The building has been specifically designed to respond to the Project Site's floodplain conditions. The residential component of the Project is elevated above the 6-foot BFE, with all residential floor area located on the second floor and above. The current design places five residential floors above a ground floor, which materially reduces exposure of occupied residential areas to flood risk. Based on the current topographic conditions, with site grades ranging from approximately 5.5 feet to 6.3 feet, the design also elevates most of the ground-level building area such that only a limited area associated with the stair base and elevator pit is below the 6-foot BFE.</p>
NOISE	<p>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.</p>
AIR	<p>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.</p>

CUMULATIVE IMPACTS	<p>The Project, along with other planned developments in Waikiki, will contribute to cumulative impacts. However, the Project and other projects in the area are consistent with the CCH's <i>General Plan, Primary Urban Center Development Plan</i>, and with the established development pattern of Waikiki as a dense, mixed-use, urban neighborhood where residential, visitor, and commercial uses are expected and intended to coexist.</p> <p>The Project is a compact infill affordable/workforce housing development on a small vacant parcel within an already highly urbanized setting. As such, it does not introduce a new or incompatible land use, but instead advances the planned intensification of housing within the existing urban core, where infrastructure, transit access, employment centers, and public services are already concentrated. Concentrating new housing in Waikiki is consistent with broader City and State planning objectives to accommodate population growth within the urban core, expand housing opportunities near jobs and services, and reduce development pressure on Oahu's outlying and rural areas.</p> <p>Accordingly, while the Project will incrementally contribute to cumulative urban impacts in the area, those effects are part of the anticipated and planned pattern of growth for Waikiki and Honolulu's Primary Urban Center. In that context, the Project represents an appropriate and policy-consistent urban infill housing development rather than a project that would create unusual or unplanned cumulative impacts. Thus, while the Project will contribute to cumulative impacts in the area, growth in this area is planned, desired, and anticipated.</p>
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**EXHIBIT 1**  
**LOCATION AND SURROUNDING USES**



Year: 2023  
Source: MAXAR  
Scale: 1" = 500'  
Comment:

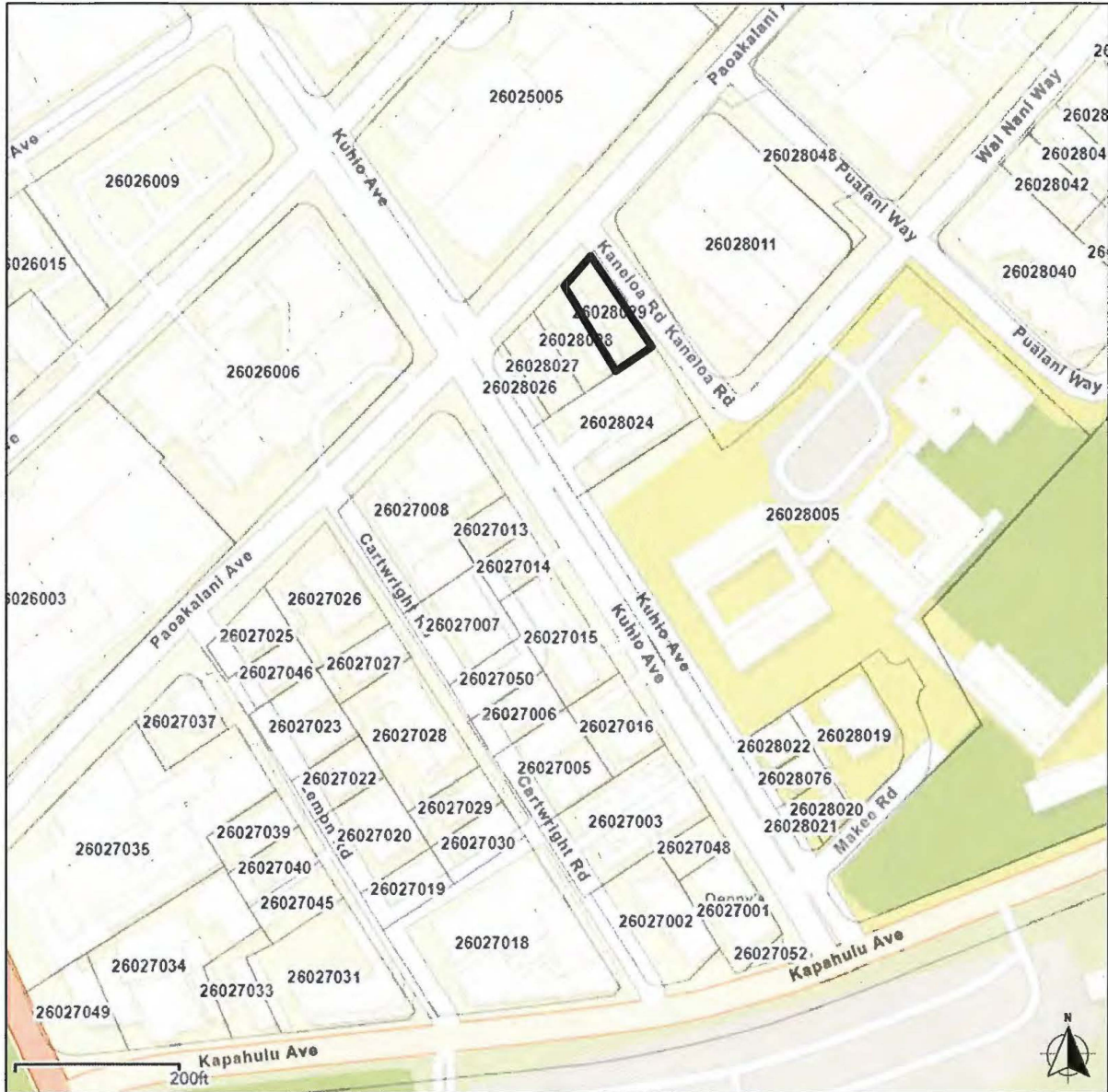
Address: 2533 Kaneloa Road, HONOLULU, HI  
Approx Center: -157.82078777,21.27407259

Order No: 24060700268

**PARTNER**



Source: Partners Engineering and Science, Inc. Phase I Environmental Site Assessment Report dated June 25, 2024  
Disclaimer: This graphic has been prepared for general planning purposes only

**EXHIBIT 2**  
**TAX MAP KEY**

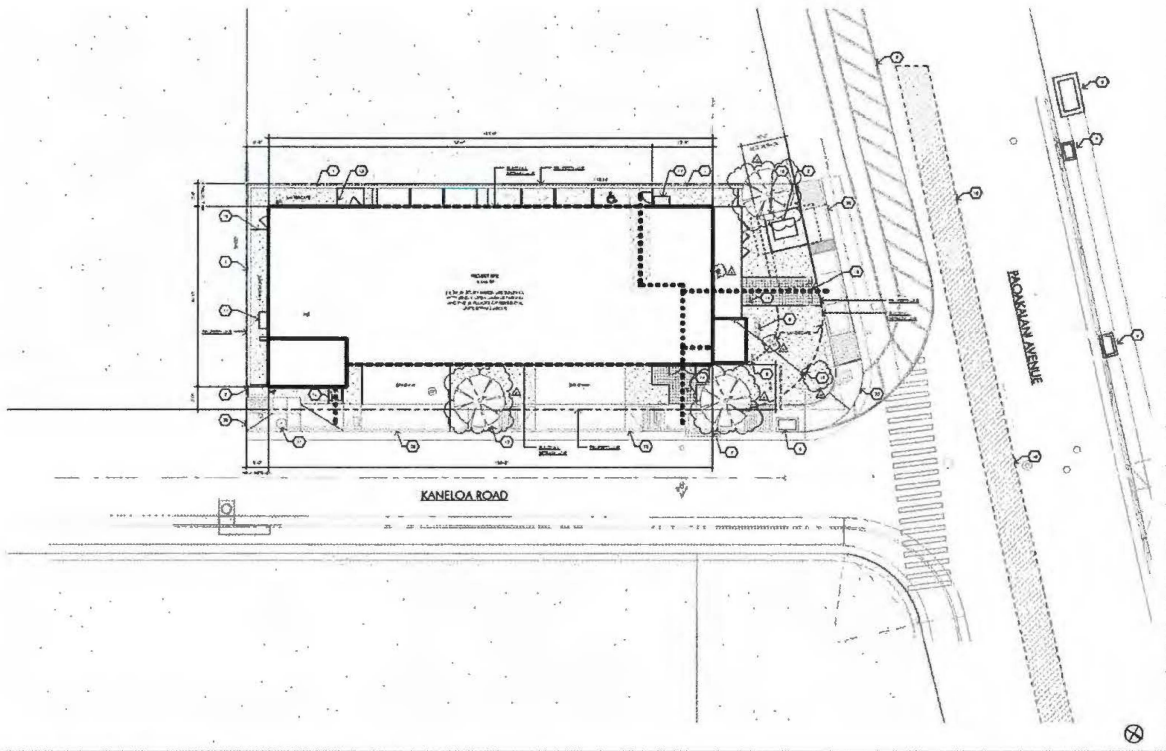


Source: City and County of Honolulu GIS Land Information System. 2026  
 Disclaimer: This graphic has been prepared for general planning purposes only

**LEGEND**

-  Project Area
-  TMK Parcels

**EXHIBIT 3**  
**SITE PLAN**



Source: hi.arch.y llp. 2025.

Disclaimer: This graphic has been prepared for general planning purposes only

**EXHIBIT 4**  
**PROJECT RENDERINGS**



Source: hi.arch.y llp. 2025.

Disclaimer: This graphic has been prepared for general planning purposes only

**EXHIBIT 5**  
STATE LAND USE DISTRICT MAP

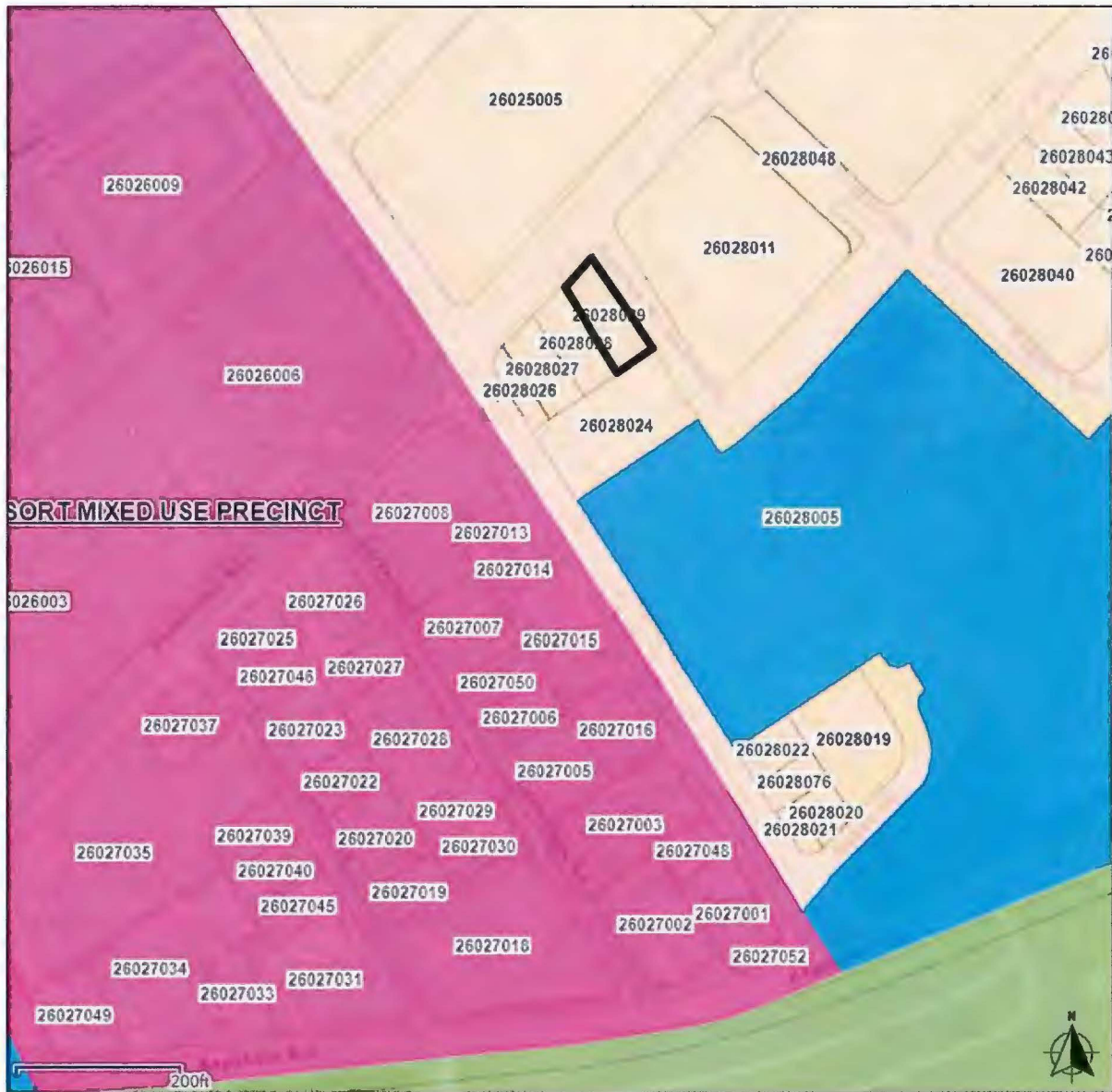


Source: City and County of Honolulu GIS Land Information System. 2026  
 Disclaimer: This graphic has been prepared for general planning purposes only

**LEGEND**

-  Project Area
-  State Land Use Districts
-  TMK Parcels
-  Urban

**EXHIBIT 6**  
**CITY AND COUNTY OF HONOLULU ZONING MAP**



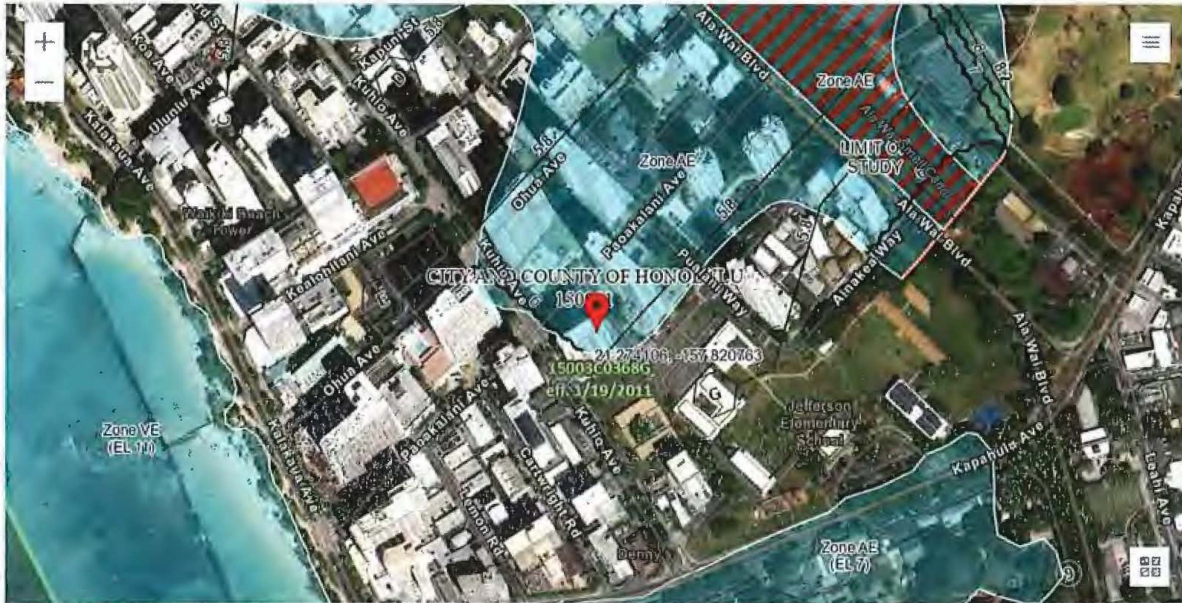
Source: City and County of Honolulu GIS Land Information System. 2026  
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**LEGEND**

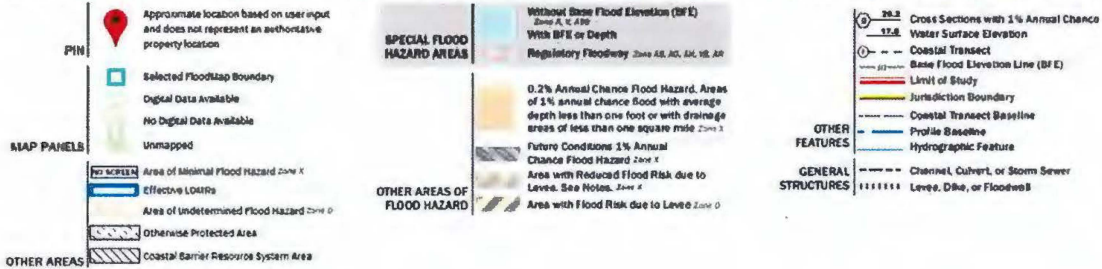
- |                                                                                     |              |                                                                                                               |
|-------------------------------------------------------------------------------------|--------------|---------------------------------------------------------------------------------------------------------------|
|  | Project Area | <b>Zoning</b>                                                                                                 |
|  | TMK Parcels  |  Apartment Precinct        |
|                                                                                     |              |  Resort Mixed Use Precinct |
|                                                                                     |              |  Public Precinct           |
|                                                                                     |              |  P-2                       |



## EXHIBIT 8 FLOOD ZONE MAP



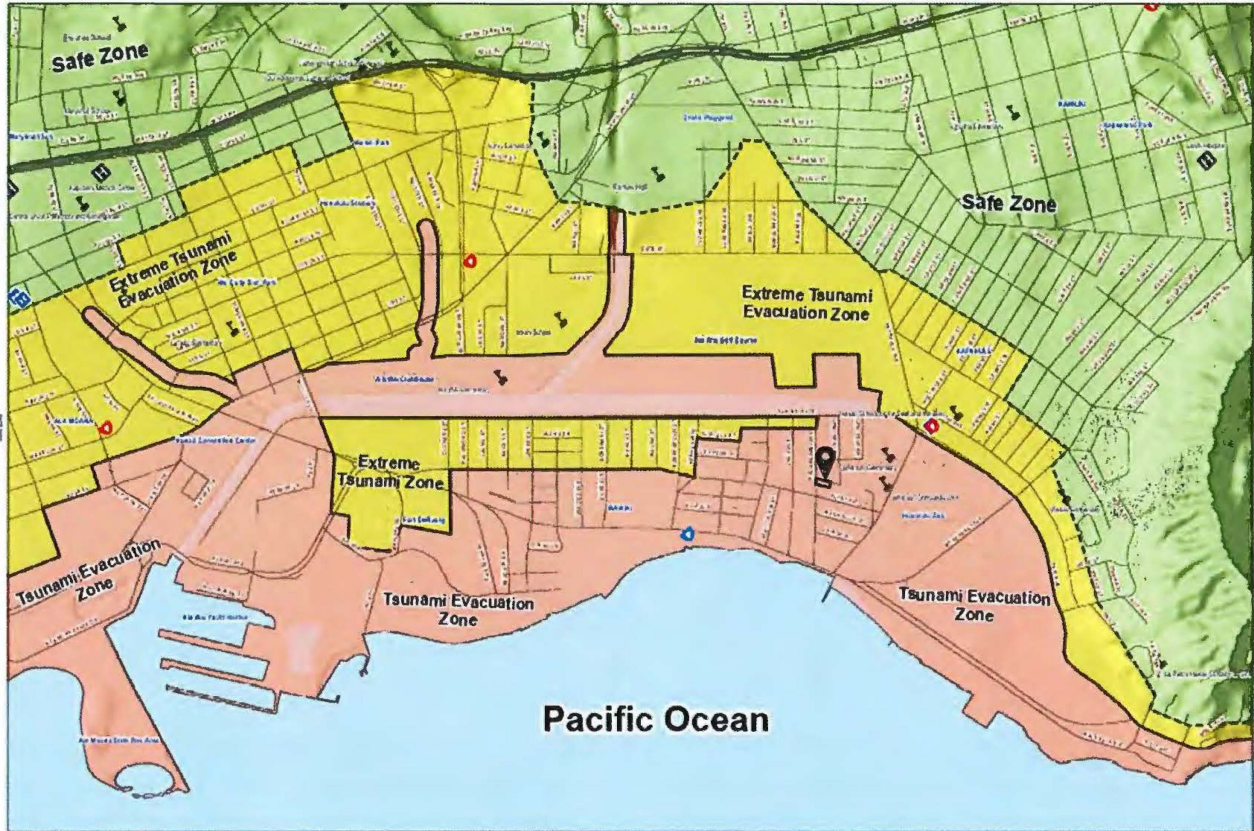
Resource Mapping Hawaii, Vantor | Esri Community Maps Contributors, © OpenStreetMap, Microsoft, Esri, TomTom, Garmin, SafeGraph, GeoTechnologies, ... Powered by Esri



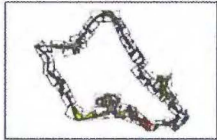
Source: FEMA Flood Map Service Center. 2026

Disclaimer: This graphic has been prepared for general planning purposes only

**EXHIBIT 9**  
**TSUNAMI EVACUATION MAP**



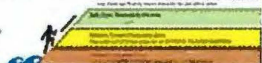
**Waikiki**  
Map 1 (with RI)



The above Tsunami Warning, including not of parked cars, is the public's responsibility. The City & County of Honolulu does not assume any liability for the use of this map.

Map data is based on 1:50,000 scale, from various sources and is not guaranteed to be 100% accurate. The City & County of Honolulu does not assume any liability for the use of this map.

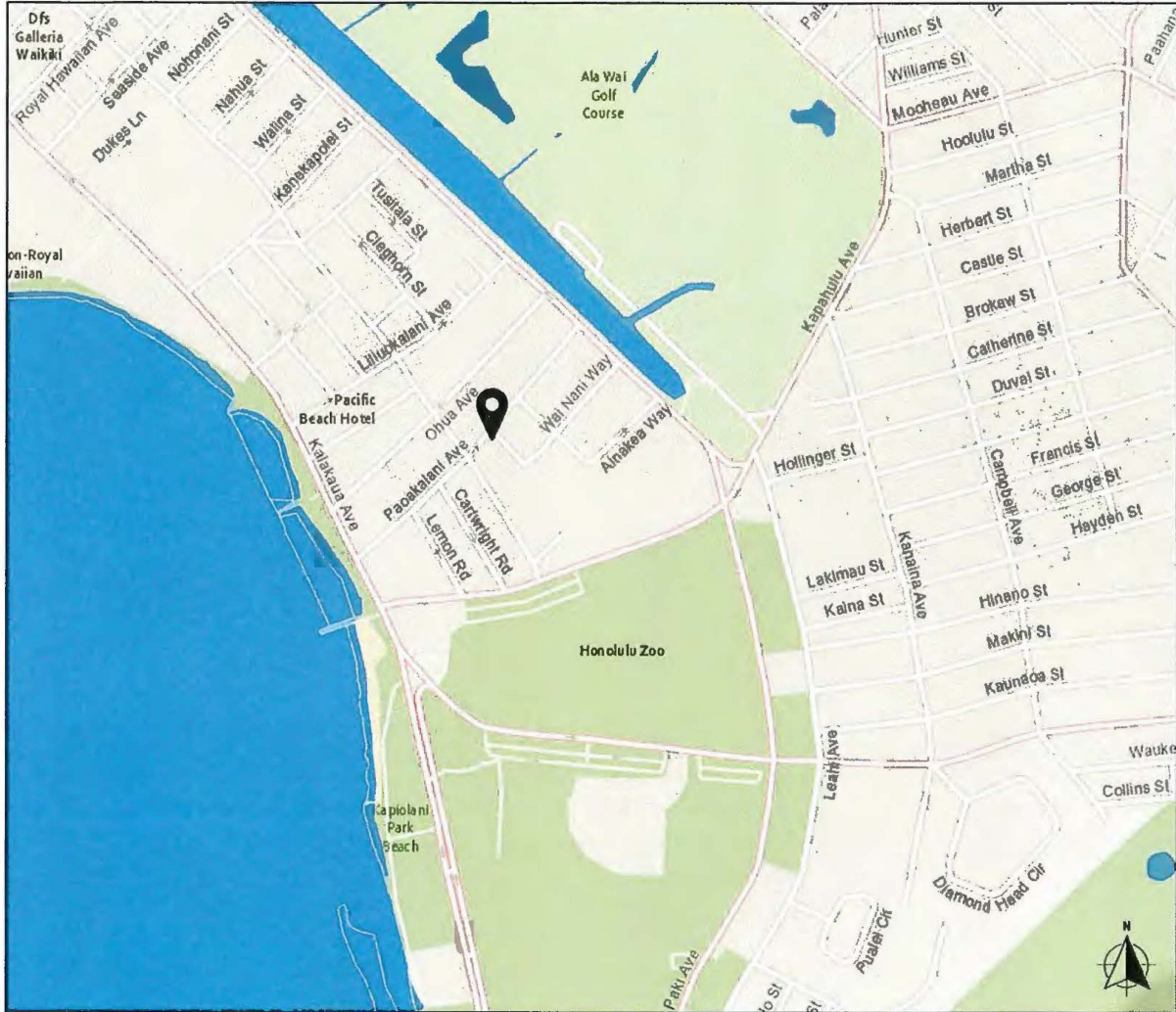
Please refer to the City & County of Honolulu's Tsunami Evacuation Plan for more information on the evacuation process.



Legend	
	Safe Zone
	Extreme Tsunami Evacuation Zone
	Tsunami Evacuation Zone
	Fire Station
	Hospital
	EMS
	Police
	Public Works Station
	Major Street
	Street


Source: City & County of Honolulu, 2015  
 Disclaimer: This graphic has been prepared for general planning purposes only

**EXHIBIT 10**  
**WETLANDS MAP**

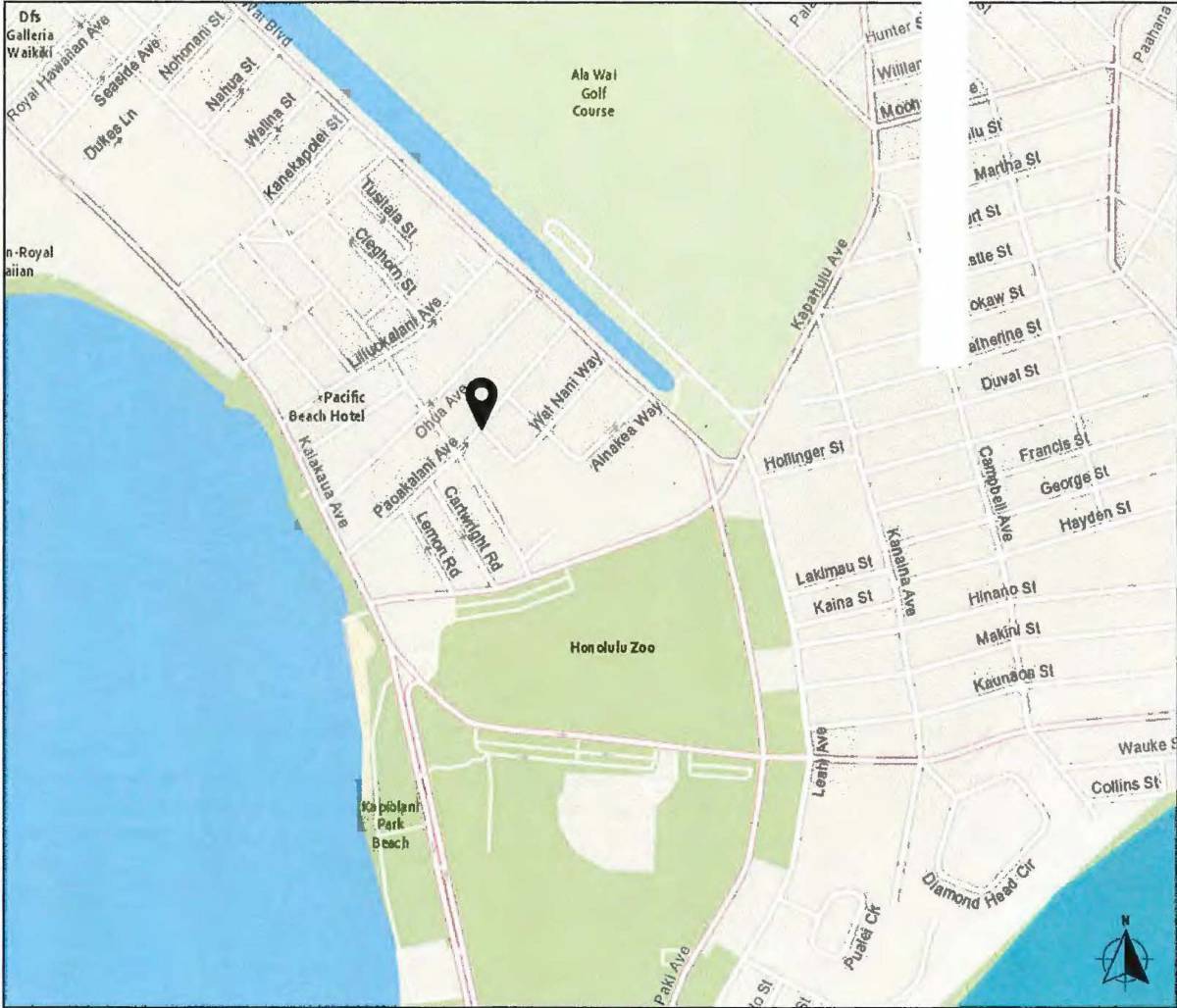


Source: Wetlands in the State of Hawaii. USFWS, November 2024.  
Disclaimer: This graphic has been prepared for general planning purposes only

**LEGEND**


 Wetlands

**EXHIBIT 11**  
**CRITICAL HABITAT MAP**



Source: Areas of Critical Habitat (Consolidated). USFWS, April 2024.  
Disclaimer: This graphic has been prepared for general planning purposes only

**LEGEND**

 Areas of Critical Habitat