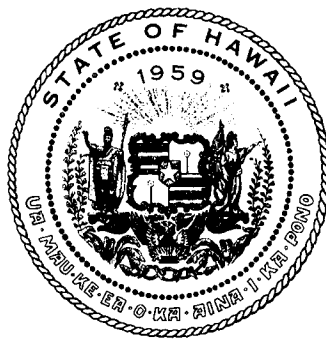


**FY 05-06
HAWAII COASTAL ZONE MANAGEMENT
REPORT TO THE TWENTY-FOURTH STATE LEGISLATURE
REGULAR SESSION OF 2007**



Prepared by
OFFICE OF PLANNING
DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM
STATE OF HAWAII

In response to Section 205A-3(10), Hawaii Revised Statutes

Honolulu, Hawaii
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ANNUAL REPORT TO THE TWENTY-FOURTH STATE LEGISLATURE
HAWAII COASTAL ZONE MANAGEMENT PROGRAM
REGULAR SESSION OF 2007

PURPOSE

This annual report on the Hawaii Coastal Zone Management (CZM) Program was prepared in response to Section 205A-3(10), Hawaii Revised Statutes (HRS). It describes the CZM activities and accomplishments for the fiscal year July 1, 2005 to June 30, 2006.

INTRODUCTION

Hawaii's CZM Program was enacted in 1977 to provide a common focus for State and County actions dealing with land and water uses and activities. As the policy umbrella, it is the guiding perspective for the design and implementation of allowable land and water uses and activities throughout the State. Because agencies are obligated to assure their activities comply with the CZM objectives and policies, they must look at resources from a broader ecosystem perspective, instead of the individual species or resources.

Rather than duplicating or usurping the authorities and responsibilities of the State and County agencies, the CZM law builds upon them, forming a team or network. To make this network concept workable, the CZM law, Chapter 205A, HRS, provides for legal and operational compliance with its objectives and policies. Within the scopes of their authorities, all statutes, ordinances, and rules are mandated to comply with the CZM objectives and policies. In this way, a network of State and County agencies bound by the statute help carry out CZM's multi-functional purposes and requirements.

Ten objectives and their supporting policies describe the CZM Program. They deal with recreational resources, historic resources, scenic and open space resources, coastal ecosystems, economic uses, coastal hazards, managing development, public participation, beach protection, and marine resources. All activities of the CZM Program are assessed for consistency with these objectives and their supporting policies.

I. FEDERAL COORDINATION AND STATE INITIATIVES

The genesis of CZM was the 1969 Report of the Commission on Marine Science, Engineering and Resources, better known as the Stratton Commission. The report stressed that coastal areas were the backbone of the nation's economy, but were not managed properly. It also underscored the need for a national policy and management system, highlighting the population shift to the coast which intensified competition for and conflict over resources and the coastal degradation resulting from multiple management regimes. Both trends are still in effect, perhaps at accelerated rates.

The national CZM Act of 1972 is a voluntary program based on the principles of states' rights and self-determination. Congress also determined that the state rather than federal or local government was in the best position to manage the zone connecting land and sea because the state exercised discretion in establishing use policies in coastal lands and held claim to the waters and submerged lands in the territorial sea. In 1973, the Legislature directed the preparation of a state CZM program that conformed with the national act. In 1977, the effort culminated in the passage of Chapter 205A, the CZM law. The broader management program, of which the statute was the key component, was approved by the federal government a year later.

With federal approval, Hawaii became eligible to administer the significant federal consistency review program, which was a key factor to state participation in the national program. This review program assures that federal agencies do not act independently of or in conflict with the State's federally-approved CZM program. Activities critical to the nation's defense mission and necessary to carry out several other overriding national objectives are exempt from this consistency review requirement. Hawaii's review program evolved into a model federal-state partnership. The process is respectful, productive, and efficient.

Hawaii's participation in the national CZM program involves a number of programs and projects, including implementation of a federally-approved annual Section 306 CZM work plan, Section 309 coastal zone enhancement grants program, Section 310 technical assistance grant program, Section 6217 Coastal Nonpoint Pollution Control Program, federal consistency review program, Section 312 program evaluation, and an annual financial evaluation.

A. Section 306, 309, and 6217 CZM Work Plans

For the period covered by this report, the Hawaii CZM Program received \$1,921,000 for Section 306, \$99,000 less than the previous year.

Section 306 funds support general Hawaii CZM Program implementation and require a one-to-one match of non-federal and/or services-in-kind. The State's match comprised \$462,759 in cash and \$1,458,241 in services-in-kind. The funds supported CZM personnel (salaries and fringe benefits). Funds were also allocated to the Counties for administering the Special Management Area (SMA) permit process and other projects, and to underwrite County partnership projects. Related CZM Program administration expenses experienced an increase from 3% in FY 04-05 to 4% in FY 05-06.

The CZM Program received \$175,000 in federal funds under Section 309 for projects meeting specific national programmatic objectives. The federally-approved Hawaii Section 309 Enhancement Area Grants Program Assessment and Strategy for FY 01-05 selected the following enhancement area priorities for funding based on government agency and public input: coastal hazards, ocean and coastal resources, and cumulative and secondary impacts (CSI). The following section of this report provides greater detail regarding the various Section 309 enhancement area projects.

The CZM Program also received \$52,000 in federal funds under Section 310 to implement the Coastal Nonpoint Pollution Control Program (CNPCP).

As a result of declining State budgets over the past several years, federal funds have been used to support four (4) permanent State civil service CZM Hawaii positions. The continued reliance on federal funds for State civil service positions remains a federal concern because it inhibits the use of the funds for more CZM-related priority projects.

B. Five-Year Section 309 Coastal Zone Enhancement Grants Program

The Section 309 enhancement grants program encourages states to develop program changes in one or more of the nine designated coastal zone enhancement areas to achieve certain national objectives. The enhancement areas include wetlands, public access, coastal hazards, CSI, energy and government facility siting, marine debris, ocean resources, special management planning, and aquaculture. A 5-year assessment and strategy was prepared for implementation beginning on July 2006.

For the period, Section 309 funds were earmarked for priority enhancement area projects related to coastal hazards, ocean and coastal resources management plan implementation update projects, and CSI.

1. *Coastal Hazards:* The CZM Program focused its activities and funds to support State and County agencies in meeting the requirement of the Robert T. Stafford Disaster Relief and Emergency Assistance Act. To be eligible to receive federal assistance in the event of a disaster, State and County agencies are required to have hazard mitigation plans in effect. The CZM Program provided funding and technical support to assure timely adoption of the State and County plans. In addition, the CZM Program partnered with the technical committees of the Hawaii State Civil Defense Agency and the Counties to implement the approved mitigation plans.

The National Pre-disaster Mitigation Program recognizes a broad range of projects that implement approved plans which include education/training, commitment and capacity building, risk assessment, planning, acquisition and relocation, structural improvement, lifeline improvement, and land improvement. During the period, the CZM Program focused its implementation efforts on education/training, risk assessment, and planning projects.

The CZM Program also strengthened its partnerships by participating in statewide and countywide hazard mitigation activities. The following are examples:

- Hawaii State Earthquake Advisory Committee. The CZM Program is a member of this Committee, primarily comprising scientists, engineers, and emergency managers. The Committee advises the State Civil Defense agency on earthquake mitigation and preparedness.
- Tsunami Technical Review Committee. This Committee comprises scientists, engineers, land use planners, emergency managers, and important links in the warning/response phases of a tsunami. The CZM Program is a member of the Committee, and serves on the outreach and education, and zoning and building code subcommittees.
- Pacific Risk Management Ohana. This hazard mitigation group was established by the National Oceanic and Atmospheric Administration (NOAA), Pacific Services Center (PSC) to develop and deliver risk management-related information, products, and services to the Pacific region. The CZM Program actively participated in the outreach activities.

In addition, the CZM Program provided funding and technical expertise to the following State and County hazard mitigation projects and activities:

- *Climatic Atlas of Tropical Cyclones Tracks Over the Central North Pacific.* The research and writing of the *Climatic Atlas of Tropical Cyclones Tracks Over the Central North Pacific* was completed this year. It covers all tropical cyclones over the Central North Pacific during the period from 1966 to 2003. Tropical cyclones include tropical depressions, tropical storms, and hurricanes. Work took place with the National Weather Service Regional Forecast Office and the State Civil Defense, who will be the major users of the Atlas for planning, forecasting, and decision-making. Final cover design for the Atlas, printing, and distribution will take place during the next fiscal year.
- Evaluation of HAZUS Multi-Hazard (Hurricanes) for Use in Hawaii. The assessment of the applicability of the Federal Emergency Management Agency's (FEMA) hurricane loss estimation model (HAZUS-MH Hurricane Model) for Hawaii-based hurricane losses was completed during this period. Accurate loss estimation is essential to governmental decision-making, providing the basis for developing mitigation plans, emergency preparedness, and response and recovery planning. The evaluation resulted in ten technically-specific conclusions. Based on the Hurricane Iniki comparison, the default HAZUS-MH Hurricane Model would not correlate well with Hawaii damage levels. The project identified several specific areas where model adjustments will need to be developed in order to produce meaningful results for Hawaii, and thus has established an initial strategy for how the HAZUS-MH Hurricane Model could be modified for better utilization in the Pacific region. This project was accomplished in partnership with NOAA's PSC.
- County of Hawaii Wind Speed Modeling and Building Code Project. The CZM Program is funding a project which will develop wind speed-up maps and building

code amendments for the County of Hawaii that will address the effects of hurricanes on the built environment. The International Building Code (IBC) that will replace the code now used introduces a new topographic factor and a wind directionality factor that in their current formulations, will not give accurate results in Hawaii. This would lead to a high probability of incorrect design unless several customized map products are prepared for the building code in Hawaii County. Future implementation of the IBC in Hawaii requires an evaluation of the wind topographic and directionality factors. Significant improvement in wind hazard mitigation can be accomplished through the development of this particular methodology for wind speed-up mapping in local building codes and risk assessments. A uniform design standard of protection for hurricane hazard would then be defined in the County that will be consistent with the standards developed for the City and County of Honolulu and the standards being developed for the County of Kauai.

- New Section 309 Strategy to Complete Wind Speed Modeling and Building Code Project Statewide. The CZM Program proposed a five-year project that will complete the wind speed models statewide by developing wind speed maps for the County of Maui, including the Islands of Maui, Molokai, and Lanai. The project also includes statewide training of State and County code officials and building managers, and design professionals in application of the new IBC and International Residential Code. In June 2006, we received preliminary approval of the project from NOAA.
- ATC-20 Post-Earthquake Safety Evaluation of Buildings Training Course. The Applied Technology Council (ATC)-20 training course provides training for individuals to conduct post-earthquake safety evaluation of buildings. In June 2006, the CZM Program, in partnership with FEMA, State Civil Defense, and the Structural Engineers Association of Hawaii organized, funded, and delivered this training on Oahu and the Big Island. The training is critical since the estimated future annual earthquake loss in the County of Hawaii is the third highest in the nation, behind San Francisco and San Jose, California. When an earthquake strikes, there is an immediate need for qualified professionals to evaluate damaged buildings to determine safety for occupancy. About one hundred design professionals and government personnel involved in building inspection, facility management, emergency management, and planning were trained. In the event of a destructive earthquake in Hawaii, they will assist the State Civil Defense. A short briefing on the HAZUS-99 earthquake model, which was customized for the County of Hawaii, and Hawaii-specific building inventory were integrated into the ATC-20 training. All participants received copies of *Earthquake Hazards and Estimated Losses in the County of Hawaii* (published by State Civil Defense and the Hawaii CZM Program in 2005) and the *ATC-20 Field Manual*, which is used as a field reference document when making post-earthquake building safety evaluations.
- “Getting Earthquake Data into the Hands of Hawaii Decision Makers” Cover Story. The work of the CZM Program, in conjunction with the Hawaii State Earthquake Advisory Committee, was a cover story in the January/February 2006 issue of NOAA’s Coastal Services Magazine. The CZM Program was interviewed on its role

in linking science to management and decision-making regarding earthquake hazard mitigation.

The CZM Program continued technical and financial assistance to State and County agencies in the implementation of their multi-hazard mitigation plans, concentrating on earthquake, tsunami, and hurricane hazards. Staff also collaborated with specialized technical committees, policy and decision-making groups, government agencies, academia, and other stakeholders in the hazard mitigation community, to preserve communities to become disaster resilient and sustainable.

The wind speed modeling and building code project was initiated and will carry on for several years. Financial resources have been spent in support of building the data base for Counties to adopt building codes that incorporate state-of-the-art requirements to protect health, safety, and welfare. The International Codes include major improvements in earthquake and hurricane resistant design and construction, as well as flood mitigation design. Such provisions can also increase the capacity of multi-story concrete and steel buildings in coastal areas to survive tsunami inundation without collapse. The CZM Program plan, fund, and execute statewide training in the interpretation and application of these new codes as they are adopted in each County.

2. *Ocean Resources Management Plan (ORMP)*: Significant progress was achieved in developing the ORMP. The CZM Program met with and obtained views and recommendations from a variety of groups. In addition to the Marine and Coastal Zone Advocacy Council (MACZAC), they included the Hawaii Ocean and Coastal Council (HOCC) established by gubernatorial executive order, ocean users, and environmental organizations. A workshop of more than 200 people statewide contributed information on issues, priorities, and recommendations for the ORMP. Meetings with State and County agencies and various community groups provided a lot of information which helped determine the scope and format of the plan. A draft plan to present to the public will be available in the fall. Information for public viewing is provided on the CZM website http://www.hawaii.gov/dbedt/czm/_initiatives/orm.html.

3. *Cumulative and Secondary Impacts (CSI)*: The major effort under the CSI program is the development and institutionalization of a moku management framework as a way to incorporate community involvement in resource planning and management. Numerous meetings with government agencies and community groups were held to develop the concept and a scope of work.

Work with the Waianae community on developing the information base for an ahupua'a or management system was completed. The information included: (1) historic and cultural information that may be used to develop an ahupua'a management framework; (2) key community issues regarding CSI; (3) educational materials and outreach to build community consensus for an ahupua'a or moku management framework and community resources management; and (4) a template for management to share with other communities statewide.

In partnership with NOAA PSC, a Waianae Ecological Characterization (WEC) project was undertaken and informational materials distributed to community members. A CD-ROM

synthesized the physical, biological, cultural, historic, and spatial information in a website format. The information can be used to examine the effects of CSI on the coral and other living resources, as an educational tool for community planning, and for other educational and decision-making activities.

A WEC release event was held in conjunction with the City and County of Honolulu's Sunset on the Beach in Waianae. Almost 1,000 WEC CDs were distributed to people attending the event. In addition, another 500 CDs were given to libraries, schools, and public officials statewide.

4. *Performance Measures:* NOAA developed the Coastal Zone Management Act Performance Measurement System (CZMA PMS) to assess the national impact of coastal management programs and to track their progress in achieving objectives of the CZMA. The system serves as a mechanism for quantifying the national impact of the CZMA by tracking and aggregating indicators of the effectiveness of the national coastal zone management programs. NOAA has asked coastal states to collect and compile indicator data, on a phased basis, on: public access, government coordination and decision-making, coastal habitats, coastal water quality, coastal hazards, and community dependent uses and community development. The CZM Program worked closely with the County Planning Departments in gathering information on public access and government coordination and decision-making indicators, and initiating development of a data management system.

C. Section 310 Technical Assistance Grant

Section 310 funds support development and implementation of program changes under Section 309, and support coastal clean water and coral reef programs. The CZM Program received Section 310 funds to support the development of the CNPCP.

D. Coastal Nonpoint Pollution Control Program (CNPCP)

The Coastal Zone Act Reauthorization Amendments of 1990 required the coastal zone and water quality agencies of each state with a federally-approved CZM Program to develop and implement a CNPCP based on guidance provided by NOAA and the Environmental Protection Agency (EPA). The CNPCP applies throughout the State.

The Hawaii CNPCP comprises 57 enforceable management measures and 13 administrative elements that were conditionally approved by NOAA and EPA. Work throughout the period concentrated on refining the measures to meet federal requirements in collaboration with the Department of Health (DOH).

In addition, the CZM Program participated in meetings and workshops related to polluted runoff control and to present information about the CNPCP.

Low Impact Design (LID): The CZM Program participated in presentations and consultations with State and County agencies on LID. A private firm was contracted to develop LID technical workshops covering building and site design techniques for managing stormwater,

drainage, and small-scale wastewater systems in ways that can reduce nonpoint pollution. The workshops covered selection, installation, and maintenance, as well as possible limitations of existing codes. The audience – solicited from appropriate agencies and organizations – consisted of individuals responsible for designing, building, maintaining, permitting, and enforcing roadway, stormwater, and small wastewater systems.

A workbook, “LID in Hawaii: A Practitioner’s Guide” was produced and workshops were held in each County.

E. Federal Consistency Program

The National CZM Act requires federal agencies to conduct their planning, management, development, and regulatory activities in a manner consistent with state CZM programs. State CZM lead agencies have the authority to review federal actions for consistency with their federally-approved CZM programs. In Hawaii, the authority to review federal activities throughout the State rests with the Office of Planning (OP). The informational and procedural requirements for CZM federal consistency reviews are prescribed by federal regulations (15CFR930).

Because there is a significant federal presence in Hawaii, CZM federal consistency is a valuable State management tool. Federal planning, regulatory, and construction activities have direct and significant effects on land and water uses throughout the State. Federal permits are required for a number of coastal activities and developments. The federal government controls vast tracts of land. The range of federal activities and permits reviewed is extensive and includes harbor projects, beach nourishment projects, military facilities and training exercises, fisheries management plans and regulations, open ocean aquaculture, and dredge and fill operations. In addition, projects funded by certain federal grant programs are reviewed for potential impacts to CZM resources. The following are examples of significant federal consistency reviews conducted during the report period:

1. Pa’aina Hawaii, LLC, filed an application for a material license from the U.S. Nuclear Regulatory Commission (NRC) for a commercial irradiator facility. Pa’aina Hawaii proposed to build and operate an underwater pool-type commercial irradiator at a location near the Honolulu International Airport. The irradiator would primarily be used to irradiate fresh fruit and vegetables to be shipped to the mainland from Hawaii. The proposal also included irradiating cosmetics and pharmaceutical products, conducting research and development activities, and irradiating other materials as specifically approved by the NRC. The CZM Program initially notified the NRC on August 10, 2005, that the application for an NRC license for the irradiator facility required federal consistency review on the basis that the federally-approved Hawaii CZM program identifies NRC permits and licenses for construction and operation of nuclear facilities as subject to federal consistency review. However, the Federal Office of Ocean and Coastal Resource Management (OCRM) determined that the material license application by Pa’aina Hawaii was not for a “nuclear facility,” which is a nuclear power generating facility. The Pa’aina Hawaii proposal was controversial because of the nuclear source for the irradiator.

2. Sandwich Isles Communications, Inc., statewide submarine fiber-optic cable system project. This project involved constructing and operating approximately 300 miles of submarine fiber-optic cables statewide, divided into four segments with landfall at seven sites: Kekaha, Kauai to Makaha, Oahu; Oahu to Kaunakakai, Molokai; Kaunakakai, Molokai to Lahaina, Maui; and Makena, Maui to Kawaihae, Hawaii. The cable landing sites will be constructed using horizontal directional drilling, which will avoid trenching in coastal and nearshore environments. This project required a Department of the Army Permit from the U.S. Army Corps of Engineers which was the trigger for the federal consistency review. CZM concerns about the project included impacts to historic and cultural resources, water quality, compliance with SMA requirements, and avoidance of coral. These CZM concerns were satisfied through mitigation measures which were included as conditions to the federal consistency concurrence.
3. Emergency projects resulting from flood related disasters from the storm events of February through March 2006. The Governor issued disaster proclamations which suspended the applicability of the Hawaii CZM law, HRS, Chapter 205A, to various emergency projects on Kauai and Oahu. Although the projects were submitted and processed for federal consistency, findings of “no objection” were issued since HRS, Chapter 205A, was suspended.
 - Ka Loko/Wailapa, Kauai, Emergency Watershed Protection Project (FC06-026) federal assistance.
 - FEMA funding pursuant to Presidential Disaster Declaration FEMA-1640-DR-HI (FC06-035) for various projects on Oahu and Kauai.
 - Kuhio Highway, Kauai, 2006 flood damage repairs (FC06-018) federal permit.
 - Ala Wai Canal, Waikiki, emergency temporary sewer bypass line (FC06-032) federal permit.

Through the federal consistency program, CZM facilitates cooperation among government agencies in reviewing applications for Federal, State and County permits. Also, pre-application consultation is highly encouraged by the Hawaii CZM Program. Most consultations occur by telephone and email, and consultation meetings involving both applicants and agencies are often held for significant reviews. This results in a coordinated review process benefiting both applicants and agencies.

The CZM Program participated in a workshop on wetland management hosted by The Wildlife Society Hawaii Chapter on October 6, 2005. The workshop was primarily attended by wetland managers and researchers. The CZM Program’s role was to provide an overview of regulatory requirements in conjunction with the U.S. Army Corps of Engineers and the State DOH, Clean Water Branch. The CZM federal consistency presentation included: (1) providing a general overview of the Hawaii CZM Program, (2) explaining the basic procedures and requirements of federal consistency, and (3) meeting with individuals to discuss specific federal consistency procedures and requirements relevant to their projects.

Improvements and updates have been made to the Hawaii CZM Program web site (www.hawaii.gov/dbedt/czm) federal consistency section. The federal consistency section within the CZM web site is now easier to find and access with its own menu link. An explanation of federal consistency is provided along with instructions and the necessary forms available to download. There is also a direct email link to the Hawaii CZM federal consistency coordinator and contact information.

The Commander, Navy Region Hawaii, is updating its Integrated Natural Resources Management Plans (INRMP) for Navy installations on Oahu and Kauai. The CZM Program participated on the Navy's INRMP working group. This participation will foster better coordination and communication with the Navy and other federal agencies participating on the working group.

The CZM Program continued its involvement with the Federal and State agency coordination initiative involving quarterly meetings with regulatory and resource agencies, and various branches of the military. The meetings were hosted by the U.S. Army Space and Missile Defense Command and the U.S. Navy. This forum provides the participating agencies an opportunity to discuss and coordinate on current and future projects, activities, and issues.

F. Section 312 Program Evaluation

Under Section 312 of the national CZM Act, NOAA OCRM conducts periodic reviews of the performance of states with federally-approved CZM programs. A federal review team evaluates and provides findings to the State on how it has (1) implemented and enforced the CZM Program, (2) addressed the coastal management needs identified in Section 303(2)(A) through (K) of the national act, and (3) adherence to the terms and conditions of the federal financial assistance awards for the program.

NOAA OCRM conducted a Section 312 Evaluation of the Hawaii CZM Program from August 23-27, 2004. OP assisted by scheduling meetings and site visits. NOAA held meetings with State, County, and Federal agencies, conducted a public informational meeting, and conducted site visits on Hawaii and Molokai. The evaluation was highly favorable and the findings documented a number of accomplishments of the CZM Program.

An earlier federal evaluation required the State to undertake an assessment of the SMA permit system based on statements made by a group of citizens. The federal mandate concluded that there was a need to strengthen the role of CZM in responding to citizen complaints, increase opportunities for public involvement in the SMA permit process, and provide training for those involved in SMA permit processing.

The study uncovered a number of problems and concerns:

- inadequate understanding of the CZM Program
- misunderstanding of the SMA permit as a land use policy determinant
- lack of understanding of State and County land use and zoning programs

- lack of clearly stated purposes, procedures, and explanations for public participation in the permit process

A collaborative assessment of the concerns was conducted with the County SMA agencies. A users' guide was also prepared for public dissemination addressing the concerns identified. In addition to the County SMA agencies, copies will be available for public inspection at libraries and possibly other offices that the Counties or State CZM agency may determine.

II. STATE AND COUNTY COORDINATION

A. CZM Program Compliance

With the privilege of administering the federal consistency review program and eligibility to receive federal CZM grant funds, the State is obligated to assure that its federally-approved program is implemented consistently by the Hawaii CZM Program partners. This obligation is fulfilled through a monitoring program that assures compliance by CZM partner agencies with CZM objectives and policies. CZM enforceable policies also include numerous State and County laws, rules, and regulations. The CZM Program monitored the actions undertaken by CZM partner agencies on various types of permit applications and implementation of CZM-related rules and regulations. Direct enforcement of CZM-related rules and regulations is the responsibility of the respective administering State or County agency.

The CZM Program employs a proactive approach in assuring compliance by the CZM partner agencies rather than relying on monitoring alone. Emphasis has been placed on the partnership commitment among State and County agencies that implement CZM policies. This evokes a greater sense of shared responsibility by each agency to comply with CZM objectives and policies.

During the period, the CZM Program initiated four joint County meetings (August 12, 2005, December 5, 2005, February 27, 2006, and June 5, 2006) to discuss compliance issues. The Counties find these meetings valuable because they are able to discuss their compliance matters with the other Counties, as well as with the CZM Program. The meetings provide opportunities for updating the Counties on legislative issues and Hawaii CZM initiatives. Coordination with the Counties assists the CZM Program in direction and management of initiatives like the ORMP, performance measures, rural lands, important agricultural lands, and SMA administration.

With the objective of improving the CZM Program through the compliance program, the effectiveness of the CZM statute, Chapter 205A, HRS, is continuously evaluated. The information is shared with the CZM network agencies to help them with their CZM-related responsibilities, and to coordinate overlapping agency activities.

The CZM Program responds to public inquiries and concerns. Dealing directly with the public provides the Program the opportunity to define its compliance role to the public and foster increased understanding.

B. Performance Reports and Program Changes

The CZM Program submits semi-annual performance reports to OCRM describing program progress as a requirement for receiving federal funding. A portion of the report includes the Counties' implementation of the SMA permit system and Shoreline Setback Variance program under Parts II and III of Chapter 205A, HRS. In addition, State permit information is reported on Land Use Commission petitions, Conservation District Use Applications, Section 401 applications, and National Pollutant Discharge Elimination System Zone of Mixing.

The CZM Program is a network agency which relies on the enforceable policies of statutes, administrative rules, and ordinances that are legally binding under the CZM law. The CZM Program reviewed the amendments to the statutes, administrative rules, and ordinances for 2000, 2001, 2002, and 2003 against the criteria specified in 15 CFR 923.10-923.84, to determine whether the amendments constituted substantial or routine program changes to the Hawaii CZM Program.

III. PUBLIC PARTICIPATION AND EDUCATION

A. Marine and Coastal Zone Advocacy Council (MACZAC)

During the reporting period, MACZAC met on August 17, 2005, October 26, 2005, and April 18, 2006 in Honolulu. The group attended the Living Reef Awards Ceremony in August and voted on the MACZAC ORMP 10 issues papers. The October meeting was held at the Hawaii Convention Center in conjunction with the ORMP workshop. In April, MACZAC participated in the rural policy best management practices project and met to establish its work priorities for the next year for the following:

1. ORMP Working Group
2. Rural Policy and Best Management Practices Project
3. Marine Protected Areas
4. Small Boat Harbor Working Group
5. Coastal Process Working Group

MACZAC Working Groups

1. *ORMP Working Group:*

The MACZAC Working Group participated with OP and other groups in the planning phase to assure expressed community interests were dealt with.

2. *Shoreline Certification Working Group:*

Members participated in the Department of Land and Natural Resources' (DLNR) Shoreline Certification Working Group meetings. A report to the Legislature including recommendations from the group can be found on the website: <http://www.hawaii.gov/dlnr/occl/files/Shoreline/SCR051-12-7-05-FINAL.pdf>.

3. *Boating Working Group:*

The group successfully spearheaded the installation and operation of a land base pump out station at Maalaea Harbor, Maui. The group also met with DLNR, Hawaii Tourism Authority, hotels, and private companies about inadequate infrastructure in Lahaina evidenced when a cruise ship is in port. Financing pump out facilities and other harbor improvements remain a major problem even though the boating community consented to pay fees.

B. CZM Working Groups

1. *Shoreline Certification Working Group:*

DLNR coordinated the efforts of a shoreline working group in response to Senate Concurrent Resolution 51, Senate Draft 1, Regular Session 2005. The group reviewed the laws and administrative rules governing shoreline certifications and identified specific problems and issues. The group also explored alternatives and made recommendations to address the problems and issues. Four meetings were held (July 13, 2005, August 3, 2005, September 7, 2005, and October 5, 2005).

2. *ORMP Implementation Working Group HOCC:*

The CZM Working Group participated in the ORMP update. HOCC met almost monthly to discuss and develop its recommendations on the ORMP for OP to consider.

Its recommendations were expressed in several themes: Protection of Natural and Cultural Resources, Coastal Development and Recognition, Balance between Resources, and Resource Users and the Conflicts that Arise. Within each, HOCC identified long-term goals and prioritized tiers of short- to mid-range goals which were supported by a list of examples as possible objectives or implementation strategies.

3. *Water Quality Working Group:*

The Working Group did not meet during this period due to logistical difficulties. However, many of the members independently participated in discussions, video-conferences, and public information meetings.

C. CZM Public Outreach

1. *Community Events:*

Public outreach is an ongoing program activity. However, with the departure of two employees, community outreach activities were considerably reduced. The CZM Program supported the development of related outreach and educational materials such as the Ohia Productions, *In the Clear Blue Sea Educational Resource Guide* and *Wings of the Islands Educational Resource Guide*, and the DOH, Office of Environmental Quality Control (OEQC) online environmental impact assessment library. The Program also sponsored workshops and conferences such as the Pacific Rim Vessel Pollution Enforcement Seminar and helped finance the annual “Get the Drift and Bag It!” cleanup.

IV. CZM ADMINISTRATION

A. SMA and Shoreline Area Approvals

OP administers SMA permits and shoreline setback variance approvals in designated community development districts, which at present include Kakaako in urban Honolulu and Kalaeloa in Ewa, Oahu. The CZM Program processed applications for 3 major and 4 minor permits. One major permit was issued, one for improvements at Piers 1 and 2, was closed due to legislation enacted to remove the property from the SMA area, and one will continue into the next period. All four SMA minor permit applications were approved.

B. Grant Application

During FY 05-06, the following contracts were issued:
(contracts are comprised of contractor and in-house efforts)

1. County of Hawaii	\$629,382
2. County of Maui	\$592,098
3. County of Kauai	\$494,704
4. City and County of Honolulu	\$428,410
5. Coastal Hazards and Statewide Hazard Mitigation: Hawaii County Windspeed Project	\$265,000
6. Ocean Resources: ORMP Update	\$109,786
7. Rural Policy and Best Practices Project with LID Workshops	\$269,972
8. Rural Policy Workshop Consultation	\$ 30,000
9. Land Use Commission Database Project – Phase II	\$ 28,800
10. Pacific Regional Marine Debris “Ghostnet” Mitigation	\$ 20,000
11. DLNR Ocean Recreation User Conflicts	\$ 50,000
12. Kahoolawe Cultural and Natural Resources Restoration	\$ 24,800
13. 5-Year Section 309 Assessment & Strategy for FY 06-10	\$43,690

14. National Coastal Management Performance Measurement System: Phase 1a	\$24,800
15. National Coastal Management Performance Measurement System: Phases 1b, 2, 3	\$180,000
16. OEQC Digital Conversion of Hawaii Environmental Studies	\$10,000
17. Geographic Information System (GIS) Support and Capacity Building	\$91,000
18. Outreach and Education Activities	\$30,000

C. Staffing

The CZM Program has a complement of eleven (11) staff positions, including clerical. Two are permanent State-funded civil service, four federally-funded civil service, and five federally-funded temporary positions. Although the federal OCRM has raised this vulnerable situation as a management concern in its periodic evaluations, State fiscal resources for the Program have been declining.

D. Special Projects

1. *Rural Land Use Policy:*

To assist in implementing legislation enacted in 2005 regarding important agricultural lands and the State rural land use district policy, a rural policy and best practices project was launched. The project, to be completed by June 2007, is intended to educate stakeholders on rural land use policy and planning practices. Three sets of statewide workshops and presentations were completed in May and June 2006.

- The first set of workshops and presentations in May covered rural policy and regulatory frameworks to establish a common understanding of rural land use, its role in managing growth, and key rural land use policies.
- The second set of workshops explored a wide range of best practices, tools, and standards that promote effective rural land use policy and effective management of rural communities, landscapes, and environmental quality. These included: (1) techniques for planning and managing rural centers; (2) rural design and siting practices; (3) appropriate rural development standards and codes; (4) rural infrastructure and support systems including wastewater disposal and treatment systems, stormwater and drainage systems; and (5) rural land protection strategies.
- The third set of workshops and presentations provided technical training to regulators, designers, and permitting staff on LID strategies and techniques for managing and mitigating stormwater runoff in watersheds. The LID workshops covered the continuum of LID applications, including LID techniques applicable to rural areas.

The workshops provided information that was shared in discussions held between the Executive Officer of the State Land Use Commission (LUC), the County Planning Directors, and OP in formulating positions and recommendations for possible amendments to the rural district in the State Land Use Law to be considered for the 2007 legislative session. Workshop information will also be used in community meetings on changes to the rural district to be conducted by the LUC Executive Officer in the fall of 2006.

The final component of the project is the compilation of a rural best practices guidebook that describes, illustrates, and references sources for more information, and provides model codes for a range of tools and standards, including those introduced in the rural best practices and LID workshops. The guidebook is intended to be a resource to the Counties and others in their efforts to implement changes to codes and regulations for rural land use and development. The guidebook will eventually be disseminated in print, web, and digital formats. If funding permits, targeted informational briefings or training sessions for County and State agency staff would be desirable. The guidebook should include tools that address CZM objectives in the planning, permitting, and management of land use activity in rural areas.

2. *Hawaii Coastal and Estuarine Lands Conservation Plan*

Based on guidelines developed by NOAA, the Coastal and Estuarine Lands Conservation Program was set up as a three-prong approach that includes: (1) developing a State planning process to identify conservation priorities; (2) developing a State process to nominate projects to a national competition; and (3) providing a competitive process at the national level to select projects for funding. The CZM Program took the lead in identifying conservation needs and priorities within the State. The effort is guided by criteria established by Congress that include:

- Protecting important coastal and estuarine areas that have significant conservation, recreation, ecological, historic, or aesthetic values, or that are threatened by conversion from their natural or recreational state to other purposes;
- Giving priority to lands which can be effectively managed and protected and that have significant ecological value;
- Advancing the goals, objectives, or implementation of the State's coastal management plan or program national objectives of the CZMA, or a State Watershed Protection Plan involving coastal states with approved coastal management plans; and
- Providing consistency with State's approved Coastal Management Program.

The CZM Program organized a Coastal and Estuarine Lands Conservation Plan Advisory Group to advise CZM to assist in the preparation of a Hawaii plan to prioritize important coastal areas in the State for conservation purposes. Comprising representatives from the four Counties, OP/CZM, Trust for Public Lands, Maui Coastal Lands Trust, Kauai Land Trust, DLNR, and a respected native Hawaiian practitioner, the group met to identify important coastal areas in the State for possible acquisition and management for conservation purposes. The group also assessed priority conservation needs and developed guidelines for nominating and selecting land

conservation projects and matching grants under the national Coastal and Estuarine Land Conservation Program.

3. *NOAA PSC and GIS:*

As part of a multi-year Pacific region initiative to build capacity in CZM agencies, the Pacific Islands GIS project established four on-site, two-year assistantship positions to serve the Territories of American Samoa and Guam, the Commonwealth of the Northern Mariana Islands, and Hawaii. A Technical Assistant was stationed at OP to increase the GIS capacity of the Hawaii CZM Program in order to encourage and facilitate the use of GIS coastal resources management under the direction of the CZM and GIS Program Managers. In addition to helping maintain spatial data, applications, and outreach materials to support Hawaii coastal and marine resources management, the assistant also coordinated technical training opportunities for CZM staff and other CZM State agency partners.

The GIS Assistant was actively involved in: (1) the development of the WEC, (2) coordinating GIS training opportunities, (3) providing assistance to CZM and State GIS Program staff, (4) participating in resource management and GIS related conferences and workshops, and (5) coordinating efforts with NOAA Coastal Services Center (CSC) and PSC offices.

- **Development of the WEC:** The Assistant developed the spatial component of the WEC, which consisted of text narrative, GIS tutorials, map applications, static maps, and GIS data. In completing the WEC GIS data inventory, data needs, identified gaps in the data, coordinated efforts with spatial data partners, and created metadata were assessed. A major portion of the work included general project organization and management, such as reviewing and editing draft content for the WEC, soliciting comments on the WEC from project partners and the public, and addressing those comments. Copies of the WEC CD were distributed to the WEC project partners and at various conferences throughout the year.
- **Coordinating GIS Training Opportunities:** The Assistant coordinated a series of informal, in-house GIS training sessions for OP and CZM staff covering basic to intermediate GIS and mapping skills. In addition, basic GIS training was considered for Kauai County staff and a variety of GIS users in Honolulu on NOAA's nonpoint source pollution and erosion tool.
- **Providing Assistance to CZM and GIS:** The Assistant participated in CZM and GIS activities, including regular staff meetings, and provided general GIS support to CZM staff and agency partners for various projects including mapping, supplying data, creating new data, assisting staff in using GIS software, and acquiring spatial data on their own. The Assistant also informed partners of activities and data and worked to promote communication between organizations with common goals. In addition, the Assistant updated a GIS learning exercise for elementary students for GIS Day 2004, and solicited, organized, and coordinated volunteer help and laptop computers for the activity. Over 300 students attended and participated in the GIS Day 2004 events.

- Participating in Natural Resource and GIS Related Conferences and Workshops: The Assistant made presentations on CZM activities, the WEC, the NOAA Pacific Islands Assistantship, and GIS at various conferences and meetings in Hawaii, the Pacific Islands, and the Mainland. The Assistant also shared information on coastal disaster management and sustainable urban development from training courses taken.
- Coordinating Efforts with NOAA's CSC and PSC Offices: The Assistant worked on various projects with NOAA's CSC and PSC, most notably the WEC. NOAA's CSC provided funding for the WEC, while PSC provided input and support throughout the development of the project. The Assistant coordinated the project with both offices through regular meetings and telephone conferences, and worked closely with NOAA's PSC and CSC to help coordinate GIS training on Kauai, Guam, and Honolulu.

4. *Kahoolawe Island Reserve Commission (KIRC):*

A Letter of Agreement with KIRC to support cultural restoration and coastal erosion work near Honokanaia on the western tip of the Island was completed with an objective to curtail the 1.9 million tons of soil annually deposited into the ocean from erosion. Most of the work will be accomplished during the following year.

5. *Section 309 Assessment and Strategy:*

The CZM Program gathered information from key stakeholders, also supplemental research information including 306 and 309 enhancement type projects over the past five years. Public informational meetings were held in March. A draft assessment and strategy was submitted to OCRM for comment. The final report is available on-line at the Hawaii CZM website.

V. LEGISLATIVE PROPOSALS

During the period, major work was dedicated to the ORMP in response to House Concurrent Resolution 137. This effort culminated in a divergence from the traditional sector-based approach to a presentation of the Plan based on three perspectives: (1) connecting land and sea, (2) preserving our ocean heritage, and (3) promoting collaboration and stewardship. The Plan also advances goals over a thirty-year horizon.

VI. SUMMARY AND RECOMMENDATIONS

Summary:

The Hawaii CZM Program will continue emphasizing core activities, federal requirements, and program priority projects in anticipation of lower federal financial support. The war in Iraq, recovery from hurricanes Katrina and Rita, and homeland security are large priority items that will be supported at the expense of other federal programs.

Timely performance of the core functions is essential to successful implementation of the Hawaii CZM Program. They consume a substantial amount of time, and some tasks may be complex, requiring months of work. Federal requirements, by definition, must be accomplished to continue eligibility to receive federal grant funds. In addition, Program priorities will provide the focus for important Program components.

Coastal hazards is considered a high priority for future work. The primary goal is to prevent or minimize threats to existing and future populations from coastal hazards. Hazard assessments need to be undertaken and applied to land use planning and management. Public concern about Hawaii's vulnerability to coastal hazards, especially after Hurricane Katrina's devastation of the gulf coast area, remains high. In addition, development proposals in areas known to be vulnerable to wave inundation from storms and hurricanes also illustrate the need for detailed vulnerability analyses of coastal areas.

Communities across the State are stressing the need for community-based management to effectively manage Hawaii's unique and finite ocean and coastal resources. They point to ahupua'a or moku management as the way to foster beneficial partnerships, integrate traditional and scientific knowledge, encourage better decision-making, and allow community involvement in the stewardship of our island resources. The CZM Program will continue its work to partner with other State and County agencies and non-government organizations (NGO) to develop and institutionalize some form of a moku management framework.

MACZAC will continue to advise the CZM Program based on community input on current issues and concerns. Together, work will continue on coastal hazards (more specifically coastal beach erosion), ocean and coastal resources management, water quality, and watershed management. MACZAC will also likely address other issues such as shoreline certification and public access by creating working groups consisting of State, County, and NGO representatives to formulate recommendations and solutions.

Recommendations:

1. CZM Staffing.

Because of the reliance on external funding for personnel, retention of qualified employees is a problem and continues to be a serious concern of the federal funding agency. Given the comprehensiveness and complexity of program tasks, many tasks are difficult to undertake or continue due to inadequately experienced staff as a consequence of frequent

recruiting. Past attempts at creating additional staff positions, especially for outreach, education, and enforcement have not been successful.

Newer and more creative approaches to satisfy staffing demands will be explored and implemented to assure program objectives and requirements are met. Improving technical capacity and increasing compensation are important considerations to retaining experienced and quality personnel. More attention will be given to developing partnerships with Federal and State agencies that have functional expertise and arranging for the transfer of skills. Moreover, additional administrative and legislative support to solidify the staffing program is necessary.

2. SMA Permit and Enforcement.

The CZM Program will continue to work with the Counties toward improving administration of the SMA permit system, searching for streamlining and simplification opportunities. The collaboration will address processing differences among the Counties and their reasons, and determine whether standardized processes for permit exemptions and deciding between major and minor permit applications are appropriate.

3. Coastal Hazards.

In collaboration with the State Civil Defense agency and Counties, work on coastal hazards will continue. Priority consideration will be given to wind speed studies for the slopes of volcanoes which cause accelerated wind speeds that can result in serious harm to human life and property. Emphasis will also be given to encouraging implementation of hazard mitigation plans and more responsible development in these areas.

4. Ocean Resources Management Plan.

The CZM Program will aggressively work to assure implementation of the Plan and its further development. Together with State and County agencies, MACZAC, and other key players, focus will be on developing a moku management framework by which community involvement can be assured.

5. Strategic Planning.

In conjunction with other programs in OP, the CZM Program will work on developing a strategic plan to guide the work of OP and its programs. From this effort, opportunities for partnership and minimizing overlapping work can be realized. In view of potential reductions in Federal and State fiscal resources, this effort is important.

6. Coastal Nonpoint Pollution Control Program.

Working with DOH, there will be a concerted effort to receive federal approval of the State's program and the development of management measures to prevent polluted runoff from human activities. New tools for designing LID in rural areas will be developed for local implementation.

Agency Acronyms

ATC	Applied Technology Council
CSC	Coastal Services Center
CSI	Cumulative and Secondary Impacts
CNPCP	Coastal Nonpoint Pollution Control Program
CZM	Coastal Zone Management Program
CZMA PMS	Coastal Zone Management Act Performance Measurement System
DLNR	Department of Land and Natural Resources
DOH	Department of Health
EPA	Environmental Protection Agency
FEMA	Federal Emergency Management Agency
GIS	Geographic Information System
HOCC	Hawaii Ocean and Coastal Council
HRS	Hawaii Revised Statutes
IBC	International Building Code
INRMP	Integrated Natural Resources Management Plans
KIRC	Kahoolawe Island Reserve Commission
LID	Low Impact Design
LUC	Land Use Commission
MACZAC	Marine and Coastal Zone Advocacy Council
NGO	Non-Government Organizations
NOAA	National Oceanic and Atmospheric Administration
NRC	U.S. Nuclear Regulatory Commission
OCRM	Office of Ocean and Coastal Resource Management
OEQC	Office of Environmental Quality Control
OP	Office of Planning
ORMP	Ocean Resources Management Plan
PSC	Pacific Services Center
SMA	Special Management Area
WEC	Waianae Ecological Characterization