STATE OF HAWAII DEPARTMENT OF LAND AND NATURAL RESOURCES Land Division

Honolulu, Hawaii 96813

April 28, 2017

Board of Land and Natural Resources State of Hawaii Honolulu, Hawaii

Kauai

PSF No.: 15KD-126

Set Aside and Immediate Management Right-of-Entry Permit to County of Kauai for Affordable Housing, Por. of Kapaa Town Lots, Kawaihau, Kauai, Tax Map Key: (4) 4-5-008:008.

APPLICANT:

County of Kauai

LEGAL REFERENCE:

Section 171-11, Hawaii Revised Statutes (HRS), as amended.

LOCATION:

Portion of Government lands of Kauai situated at Por. of Kapaa Town Lots, Kawaihau, Kauai, Tax Map Key: (4) 4-5-008:008, as shown on the attached map labeled Exhibit "A".

AREA and ZONING:

TMK# AREA STATE LUD COUNTY CZO
(4) 4-5-008: 008 15,120 square feet Urban Open/SPA-A

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: NO

CURRENT USE STATUS:

Lot is improved and unencumbered.

PURPOSE:

Affordable housing purposes

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

In accordance with the Exemption List for the Department of Land and Natural Resources, approved by the Environmental Council on June 5, 2015, the subject request for issuance of the executive order is exempt from the preparation of an environmental assessment pursuant to Exemption Class No. 1, item 43 (See Exhibit "C"). Inasmuch as the Chapter 343 environmental requirements apply to Applicant's use of the land, the Applicant shall be responsible for compliance with Chapter 343, HRS, as amended.

APPLICANT REQUIREMENTS:

Applicant shall be required to:

- 1) Provide survey maps and descriptions according to State DAGS standards and at Applicant's own cost; and
- 2) Obtain a title report to ascertain ownership, where necessary, at Applicant's own cost and subject to review and approval by the Department.

REMARKS:

At its meeting on February 14, 2014, under item D-4, the Board approved the set-aside to the County of Kauai for affordable housing purposes, various lots in Wailua Houselots, Kapaa, Hanapepe and Waimea, Kauai. At the time, the subject parcel was encumbered by General Lease No. S-4436 to Tenrikyo Taiheiyo Kyokai.

At its meeting on May 22, 2015, under item D-2, the Board approved the forfeiture of General Lease No. S-4436 for various defaults. On July 21, 2015, the former lessee vacated the property. The cancellation of the general lease was finalized by the Attorney General's Office in May 2016.

This parcel has been identified under HRS 171-49.7 as public lands suitable and available for residential development. It is 15,120 square feet in the CZO Open/SPA-A. This lot may not be subdivided and is suitable for 1 unit. A church and residential structure are currently located on the parcel. See photos attached as Exhibit "D".

The Kauai County Housing Agency (KCHA) was formed in May 1976 in recognition of the need to provide housing for low-income households and the elderly and to participate in the federal Housing Assistance Payments Program under Section 8 of the Housing and Community Development Act of 1974. Its mission is to provide greater opportunities for Kauai's citizens to choose and secure affordable, safe, decent and sanitary housing and to live and work in neighborhoods and communities that can accommodate the needs and desires of all households and individuals.

The KCHA is composed of two divisions: the Housing & Community Development Division and the Rental Assistance Division. The Development Division develops affordable housing with government resources, plans and monitors affordable housing with private developers, monitors restrictions on affordable projects, provides research and community education regarding housing needs and solutions, administers the Community Development Block Grant Program (CDBG), the Home Investment Partnership Program (HOME), Residential Rehabilitation and Home-buyer Loan Programs, various fair housing activities, and other related County, State, and federal housing programs.

KCHA is proposing to use the parcel to develop an in-fill, single family, affordable housing development. By using United States Department of Agriculture (USDA) Rural Development Direct Loan funds for 80% of the cost of the unit and 20% from KCHA, the County of Kauai will be able to leverage its funds and provide an affordable rental home for a Kauai family. KCHA has a current list of qualified applicants and approved designs for development.

The Kauai District Land Office receives complaints about over-grown vegetation on this parcel and does regular maintenance to ensure that any potential liability is mitigated. In addition, Kauai District Land Office receives numerous complaints about homeless breaking into and dwelling in the structures on the unencumbered State parcel. Staff has boarded up the structures' entrances several times.

This parcel is within residentially developed neighborhoods and the highest and best use for the parcels would be for residential use. DLNR and the BLNR are not in the business of developing residential units and therefore staff recommends that the BLNR set aside the parcel to the County of Kauai to develop affordable housing. This would allow for development of the parcel's highest and best use and would remove an expense and liability from BLNR management.

State Agencies:

State Agencies.	
DLNR-Historic Preservation	No response by suspense date.
County Agencies:	
Planning	No response by suspense date.
Parks & Recreation	No response by suspense date.
Public Works	No objections.
Water Department	No response by suspense date

Other Agencies:	
OHA	No response by suspense date.

RECOMMENDATION:

That the Board, subject to Applicant fulfilling the Applicant Requirements above:

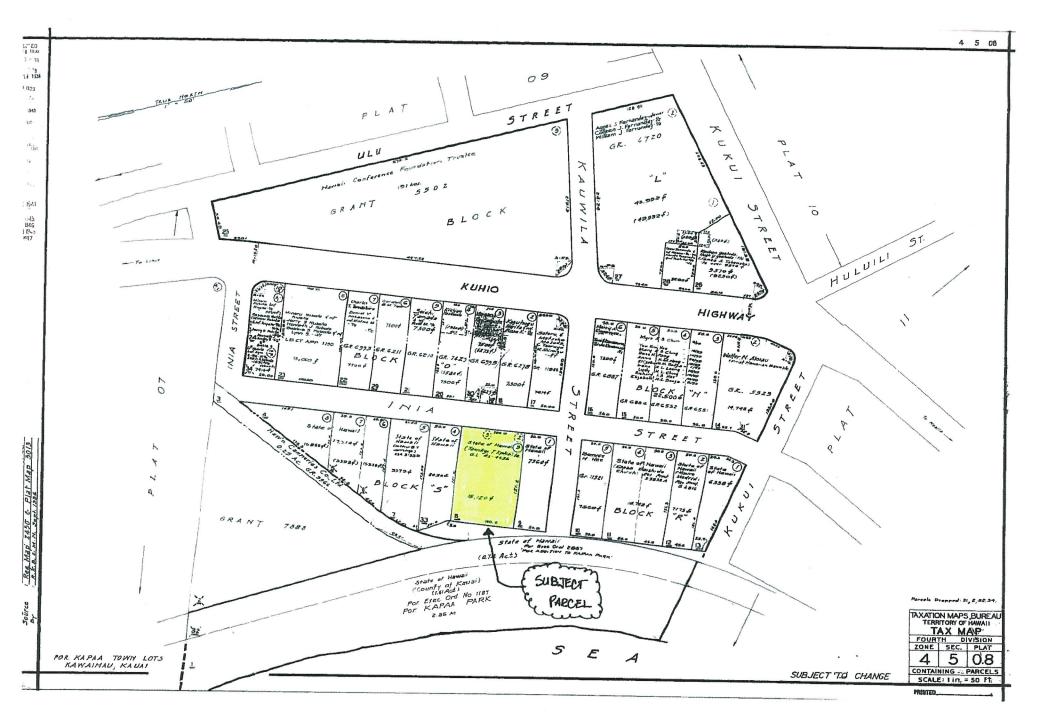
- 1. Declare that, after considering the potential effects of the proposed disposition as provided by Chapter 343, HRS, and Chapter 11-200, HAR, this project will probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment.
- 2. Approve of and recommend to the Governor the issuance of an executive order setting aside the subject lands to the County of Kauai under the terms and conditions cited above, which are by this reference incorporated herein and subject further to the following:
 - A. The standard terms and conditions of the most current executive order form, as may be amended from time to time;
 - B. Disapproval by the Legislature by two-thirds vote of either the House of Representatives or the Senate or by a majority vote by both in any regular or special session next following the date of the setting aside;
 - C. Review and approval by the Department of the Attorney General; and
 - D. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.
- 3. Authorize the issuance of a right-of-entry permit to the County of Kauai covering the subject area under the terms and conditions cited above, which are by this reference incorporated herein and further subject to the following:
 - A. The standard terms and conditions of the most current right-of-entry permit form, as may be amended from time to time;
 - B. The right-of-entry shall remain in effect until the executive order effecting the set-aside is executed; and
 - C. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,

Kurt Yasutake Land Agent

APPROVED FOR SUBMITTAL:

Suzanne D. Case, Chairperson



EXHIBIT" A"

Bernard P. Carvalho, Jr. Mayor

Nadine K. Nakamura

Managing Director



Kamuela Cobb-Adams Housing Director

KAUA'I COUNTY HOUSING AGENCY

County of Kaua'i, State of Hawai'i Pi'ikoi Building 4444 Rice Street Suite 330 Līhu'e Hawai'i 96766 TEL (808) 241-4444 FAX (808) 241-5118

July 29, 2015

Susan D. Case, Chairperson State of Hawai'i, Department of Land and Natural Resources P.O. Box 621 Honolulu, Hawai'i 96809

Subject: Request for Executive Order of a Parcel to the County of Kaua'i for Affordable

Housing, TMK: (4) 4-5-008:008

Dear Chairperson Case,

A top priority from Mayor Carvalho's administration is to provide affordable housing opportunities for the people of Kaua'i. Achieving this has become increasingly difficult as Kaua'i's median housing prices continue to outpace the median incomes of Kaua'i's workforce. (See Exhibit A) Thankfully, the Kaua'i County Housing Agency (KCHA) is working diligently to create innovative partnerships and development strategies that will result in affordable housing opportunities for Kaua'i's families.

The "Scattered Lots Development Model" combines the resources of Federal, State and Local government to realize housing that is affordable (See Exhibit B). By developing existing un-encumbered and appropriately zoned State lands, land cost, generally the greatest cost of housing, is minimized. Additionally, KCHA coordinates the development efforts, thus eliminating developer profit. Lastly, special financing by KCHA and the United States Department of Agriculture-Rural Development (USDA-RD) could provide lower loan payments. In summary, such partnerships will allow families to achieve the dream of owning an affordable home on Kaua'i rather than moving elsewhere.

I respectfully request the Board's support and approval of an executive order for the subject parcel to the County of Kaua'i. Together, we can implement the Scattered Lots Development Model, thus providing affordable housing opportunities for the people of Kaua'i.

Mahalo.

cc:

KAMUELA COBB-ADAMS

Housing Director

BERNARD P. CARVALHO, JR Mayor

Marvin Mikasa, Kaua'i District Land Agent



DAVID Y. IGE GOVERNOR OF HAWAII





STATE OF HAWAII DEPARTMENT OF LAND AND NATURAL RESOURCES

POST OFFICE BOX 621 HONOLULU, HAWAII 96809

April 28, 2017

SUZANNE D. CASE CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

KEKOA KALUHIWA FIRST DEPUTY

JEFFREY T. PEARSON, P.E. DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEY ANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENPORCEMENT
ENGINEERING
FORESTRY AND WILD LIPE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

TO:

Land Division

THROUGH: Suzanne D. Case, Chairperson

FROM:

County of Kauai

DECLARATION OF EXEMPTION FROM THE PREPARATION OF AN ENVIRONMENTAL ASSESSMENT UNDER THE AUTHORITY OF CHAPTER 343, HRS AND CHAPTER 11-200 HAR, FOR SET ASIDE AND IMMEDIATE MANAGEMENT RIGHT-OF-ENTRY PERMIT TO COUNTY OF KAUAI, FOR AFFORDABLE HOUSING PURPOSES ON POR. KAPAA TOWN LOTS, KAWAIHAU, KAUAI, TMK: (4) 4-5-008:008.

The following permitted activities are found to be exempted from preparation of an environmental assessment under the authority of Chapter 343, HRS and Chapter 11-200, HAR:

Project Title:

Set Aside and Immediate Management Right-of-Entry Permit to County of Kauai for Affordable Housing.

PSF Number:

15KD-126

Project Description:

This parcel has been identified under HRS 171-49.7 as public lands suitable and available for residential development.

KCHA is proposing to use the parcel to develop an in-fill, single family, affordable housing development. By using United States Department of Agriculture (USDA) Rural Development Direct Loan funds for 80% of the cost of the unit and 20% from KCHA, the County of Kauai will be able to leverage its funds and provide an affordable rental home for a Kauai family. KCHA has a current list of qualified applicants and approved designs for development.

Consulted Parties:

A Draft Board Submittal was sent out for review and comments to the following agencies: Department of Land and Natural Resources – Historic Preservation, Kauai County – Planning, Kauai County – Parks and Recreation, Kauai County – Public Works, Kauai County – Water Department, and the Office of Hawaiian Affairs.

Exemption Determination:

After reviewing HAR § 11-200-(8), DLNR has concluded that the activities under this permit would have minimal or no significant effect on the environment and that issuance of the permit is categorically exempt from the requirement to prepare an environmental assessment.

According to the Exemption List for the Department of Land and Natural Resources, as Reviewed approved by the Environmental Council on June 5, 2015, Exemption Class No.1, "Operations, repairs or maintenance of existing structures, facilities, equipment or topographical features, involving negligible or no expansion or change of use beyond that previously existing [HAR § 11-200-8(a)(46)]".

Conclusion:

It is recommended that the Board declare that this project will probably have minimal or no significant effect on the environment and is presumed to be exempt from the preparation of an environmental assessment.

Suzanne D. Case, Chairperson

Board of Land and Natural Resources

Date

Photo Taken: March 14, 2017

