

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Land Division
Honolulu, Hawaii 96813

December 13, 2019

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

Ref: GL S-5548

MAUI

Request for Determination that Additional Environmental Review is not Required for Construction of Rehabilitation Center on Premises of General Lease No. S-5548, Hana Health, Lessee, Pursuant to Hawaii Administrative Rules Section 11-200.1-11; Approval of Elevation and Floor Plans for Rehabilitation Center; Delegate Authority to Chairperson to Approve Plans and Specifications for Rehabilitation Center, Kawaipapa, Hana, Maui; TMKS: (2) 1-4-003:022 and 024.

APPLICANT:

Hana Health, a Hawaii non-profit corporation, formerly known as Hana Community Health Center, Inc. (Hana Health or Lessee).

LEGAL REFERENCE:

Section 171-6, Hawaii Revised Statutes (HRS), as amended, and Hawaii Administrative Rules (HAR) Sections 11-200.1-4 and 11-200.1-11.

LOCATION:

Portion of Government lands of situated at Kawaipapa, Hana, Maui, identified by Tax Map Key: (2) 1-4-003:022 and 024, as shown on the attached map labeled Exhibit 1.

AREA:

Parcel 22 – approximately 10.070 acres
Parcel 24 – approximately 2.035 acres
TOTAL: approximately 12.105 acres

ZONING:

State Land Use District: Agriculture/Rural
County of Maui CZO: Interim

TRUST LAND STATUS:

Section 5(b) land of the Hawaii Admission Act
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: NO

CURRENT USE STATUS:

Encumbered by General Lease No. S-5548 (GL5548) issued to Hana Health for health care services to the Hana community as set forth in Lessee's articles of incorporation and for other social services commonly provided by the government.

CHARACTER OF USE:

Health care services to the Hana community as set forth in Lessee's articles of incorporation and for other services commonly provided by the government.

TERM OF LEASE:

Fifty-five (55) years, commencing on the first day of July 1997, up to and including the 30th day of June 2052, unless sooner terminated as described in the standard conditions of the general lease.

ANNUAL RENT:

\$1.00 per year.

DCCA VERIFICATION:

Place of business registration confirmed:	YES <u>X</u>	NO
Registered business name confirmed:	YES <u>X</u>	NO
Applicant in good standing confirmed:	YES <u>X</u>	NO

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

See discussion in Remarks section below.

BACKGROUND:

Pursuant to Act 263, Session Laws of Hawaii 1996, an affiliation was established between the State through the Department of Health and the community of Hana through a Hana non-profit health care organization to support the development of a community-based health care program. Hana Health is the only health care provider in the District of Hana. It provides primary medical care, dental health services and behavioral health care to the resident population as well as 600,000 visitors annually. Hana Health is often called upon to provide ancillary and specialty care, including physical therapy, cardiac

rehabilitation, mental health services and transitional care for patients returning to Hana after hospitalization, hospice and/or elderly care. Hana Health is currently unable to adequately address these needs due to lack of appropriate facilities.

On March 30, 2015, Hana Health submitted a request for approval from the Board of Land and Natural Resources (Board) to construct a Rehabilitation Center. The proposed Rehabilitation Center will be a multi-purpose building to accommodate behavioral and mental health services, physical therapy and cardiac rehabilitation, short term, overnight accommodations for patients transitioning from tertiary care back to their home in Hana, as well as hospice and/or elderly care for Hana residents. Plans also include administrative offices to serve as the central location of Hana Health's information technology systems with improved communication and services to its patients.

Hana Health applied for a federal grant of up to \$1,000,000 through the Health Infrastructure Investment Program (HIIP) of the Health Resources and Services Administration (HRSA) to fund the Rehabilitation Center. To satisfy federal grant requirements, in 2015 Hana Health requested the amendment of GL5548 to allow the placement of a federal interest on the State lands, and additionally requested authorization for the Chairperson to sign a Landlord Letter of Consent. At its meeting of May 8, 2015, under agenda Item D-18, the Board approved, as amended, Hana Health's requested actions, TMKs: (2) 1-4-003:022 (Parcel 22) and 024 (Parcel 24).

REMARKS:

The Board's action of May 8, 2015, directed Hana Health to:

return to the Board at a later date to report on the results of its application for grant moneys for the project and, if applicable, submit detailed building plans and specifications at that time. Hana Health will additionally need to comply with the requirements of HRS Chapter 343 prior to commencing construction of the Rehabilitation Center.

Hana Health reports that on April 26, 2016, it was awarded an HIIP/HRSA grant in the amount of \$1,000,000 for the construction of the Rehabilitation Center. The State and Hana Health executed the lease amendment effective as of March 14, 2017. A Notice of Federal Interest Affecting Portion of the Land Covered by General Lease No. S-5548 was executed by the State and Lessee and recorded in the Bureau of Conveyances on July 11, 2018. The duration of the federal interest is commensurate with the lease term under GL5548.

With respect to the requirement to comply with Chapter 343, HRS, regarding environmental assessments, Hana Health is requesting the Board find that a prior environmental review conducted for proposed development of the premises covers the construction of the Rehabilitation Center under the new administrative rules promulgated by the Office of Environmental Quality Control (OEQC). Chapter 11-200.1, HAR, which took effect on August 9, 2019, provides in part as follows:

§11-200.1-11 Use of prior exemptions, findings of no significant impact, or accepted environmental impact statements to satisfy chapter 343, HRS, for proposed actions.

(a) When an agency is considering whether a prior exemption, FONSI, or an accepted EIS satisfies chapter 343, HRS, for a proposed action, the agency may determine that additional environmental review is not required because:

- (1) The proposed action was a component of, or is substantially similar to, an action that received an exemption, FONSI, or an accepted EIS (for example, a project that was analyzed in a program EIS);
- (2) The proposed action is anticipated to have direct, indirect, and cumulative effects similar to those analyzed in a prior exemption, final EA, or accepted EIS; and
- (3) In the case of a final EA or an accepted EIS, the proposed action was analyzed within the range of alternatives.

(b) When an agency determines that a prior exemption, FONSI, or an accepted EIS satisfies chapter 343, HRS, for a proposed action, the agency may submit a brief written determination explaining its rationale to the office for publication pursuant to section 11-200.1-4 and the proposed action may proceed without further chapter 343, HRS, environmental review. . . .

Hana Health explains that its *Final Revised Environmental Assessment for the Proposed Hana Community Health and Wellness Village*¹ published in 2004 (2004 FEA), for which the Department of Land and Natural Resources (Department or DLNR) was the Accepting Authority and issued a Finding of no Significant Impact (FONSI), contemplated a project proposing 33 buildings, ranging from approximately 694 square feet to approximately 24,352 square feet, and totaling 72,235 square feet, on both parcels of the lease premises.

Hana Health never built the Hana Community Health and Wellness Village (“Wellness Village”) analyzed in the 2004 FEA. It now wishes to build the Rehabilitation Center which was the subject of the May 8, 2015 Board action (but reduced from the originally contemplated 6,000 square feet to 3,821 square feet). The Rehabilitation Center would be on Parcel 24, in the location shown for Kupuna Housing in Figure 4 of the 2004 FEA. See Exhibits 2, 3 and 4 attached.

Since the surrounding environment has not changed, and the change in the project is to substantially reduce its scope, Hana Health takes the position that a new EA should not

¹ Hana Health explains the 2004 FEA is a “Revised” Final Environmental Assessment because it relied in part on the 2000 *Final Environmental Assessment* (2000 FEA), for which Maui County was the Accepting Authority and issued a FONSI. As explained in the preface to the 2004 FEA, “Since the issuance of the FONSI, programmatic and design requirements for the project have been modified to incorporate a more traditional Hawaiian design theme, as well as additional facility uses.”

be required. Hana Health adds the currently proposed Rehabilitation Center satisfies the three-pronged analysis under HAR Section 11-200.1-11(a) as follows:

- (1) **The proposed action was a component of, or is substantially similar to, an action that received an exemption, FONSI, or an accepted EIS (for example, a project that was analyzed in a program EIS)**

The proposed Rehabilitation Center is a single 3,800 square foot building. The 2004 FEA analyzed a project with 33 buildings, a few of which were similar in size. For example, among the components of the Wellness Village were a 4,080 square foot building (with five units of Kupuna housing) in the same approximate location as the proposed Rehabilitation Center, *see* 2004 FEA, Figure 4 (Exhibit 2 attached) and p. 8,² and a 5,500 square foot building housing administrative offices, *see id.*, p. 6.³ A rehabilitation facility was a component of the Wellness Village, in the form of the 24,352 square foot physical therapy/Fitness Center.

- (2) **The proposed action is anticipated to have direct, indirect, and cumulative effects similar to those analyzed in a prior exemption, final EA, or accepted EIS**

The 2004 FEA analyzed the Wellness Village, which is much larger in scope, and concluded it would have no significant environmental impacts. The much smaller proposed Rehabilitation Center is anticipated to have similar impacts -- i.e., none. Like the Wellness Village, the Rehabilitation Center will have unavoidable construction-related impacts, including noise and air quality impacts associated with the construction equipment and dust, but those impacts will be temporary and the Rehabilitation Center will take far less time to construct than the projected eight years to construct the Wellness Village. It will also use less land (the Wellness Village would have had approximately 5.7 acres under roof or paved over, *see* 2004 FEA at 37⁴), energy, and water, and will generate less wastewater, than the Wellness Village.

² “The Kupuna Housing will be comprised of five (5) one-bedroom units, approximately 804 square feet in size, and one (1) two-bedroom unit, approximately 886 square feet in size. The living units will provide seniors with required on-site housing and medical support services.”

³ “The Administrative Offices will be approximately 5,593 square feet in size, and will include a staff room, restrooms, a mail room, a small kitchen and five (5) administrative offices.”

⁴ “Construction of the proposed improvements will result in a significant increase in impervious surfaces, including new buildings, roadways and parking areas. . . . Upon project development, the project site will have approximately 5-7 acres of roof areas and pavement, and a runoff rate of approximately 87.16 cfs. In accordance with drainage requirements of Chapter 18.20.130 of the Maui County Code, increased runoff related to new construction will be accommodated onsite through use of surface and subsurface retention systems.

(3) In the case of a final EA or an accepted EIS, the proposed action was analyzed within the range of alternatives

The alternatives analyzed in the 2004 FEA ranged from the Wellness Village (the preferred alternative) to the No Action alternative, differentiated primarily by the number and size of the buildings. The first alternative was the original plan analyzed in the 2000 FEA, which included two large (approximately 10,500 square foot) buildings with five residential units for executive staff and nurses. 2004 FEA at 58.⁵ The second alternative was a modification of the preferred alternative with smaller buildings, which would continue to be considered “in the context of available funds and program implementation budget considerations.” *Id.* at 59-61.⁶ In that range of alternatives, the proposed Rehabilitation Center is closest to the No Action alternative in terms of its scope, but unlike the No Action alternative, the Rehabilitation Center *does* “represent a responsible option towards responding to the health care requirements” of Hana residents. *See id.* at 61.⁷

After conferring informally with the Department of the Attorney General on Hana Health’s request, staff believes that the Board is authorized to determine that additional environmental review for the construction of the Rehabilitation Center is not required for the foregoing reasons and is including a recommendation to that effect below.

A copy of the elevations and floor plans for the Rehabilitation Center is attached as Exhibit 5. Hana Health continues to work on detailed plans and specifications for the project. Staff is including a recommendation below that the Board delegate to the Chairperson authority to review and approve the detailed plans and specifications when

⁵ “The original conceptual site plan developed in May 2000 proposed to house the health care services in two (2) main buildings. The first building covering 10,850 square feet would combine the health care with the urgent care clinic and provide for an ambulance bay, as well as shared administrative and support uses. The second building covering an area of 10,360 square feet housed the health and wellness center with a conference center, gym, pool and office. The plan also provided two (2) residential dwellings for executive staff and three (3) residential units for nurses’ housing. A large garden area was located in the northern-portion of the expanded site. In the original proposal, the existing medical center would be converted to administrative offices.”

⁶ “[The modified] alternative would be a modification of the preferred alternative and involves reducing the total floor area of the proposed development. The modified alternative plan also integrates the expansion of the existing health center building with the overall Health and Wellness Village. . . . The advantages to this alternative would be to reduce the overall development costs of the project and to provide more overall parking to meet code requirements. In this alternative, 253 parking stalls are required and provided. Therefore, a parking variance would not be required since all parking could be provided onsite.”

⁷ “State survey results indicate there is an established need to improve medical services to the Hana region. Comparative health statistics indicate Hana resident health needs in the area of heart disease, diabetes, prenatal care and infant mortality are amongst the highest in the state. In light of the need and conditions of health care in the Hana region, the “no action alternative” does not represent a responsible option towards responding to the health care requirements.”

submitted, provided that they substantially conform to the elevations and floor plans attached as Exhibit 5.

RECOMMENDATION: That the Board:

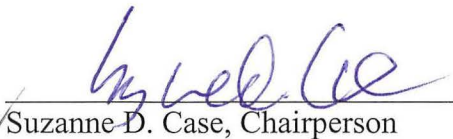
- A. Determine that additional environmental review is not required for the construction of Rehabilitation Center on premises of General Lease No. S-5548, Hana Health, Lessee, pursuant to HAR Section 11-200.1-11 and under the terms and conditions cited above, which are by this reference incorporated herein.
- B. Authorize the publication with OEQC of a brief written determination explaining the Board's rationale for finding that additional environmental review is not required for the construction of Rehabilitation Center, pursuant to section 11-200.1-4, HAR.
- C. Delegate to the Chairperson authority to review and approve the detailed plans and specifications for the Rehabilitation Center when submitted, provided that such plans and specifications substantially conform to the elevations and floor plans attached as Exhibit 5.

Respectfully Submitted,



Kevin E. Moore
Assistant Administrator

APPROVED FOR SUBMITTAL:


Suzanne D. Case, Chairperson

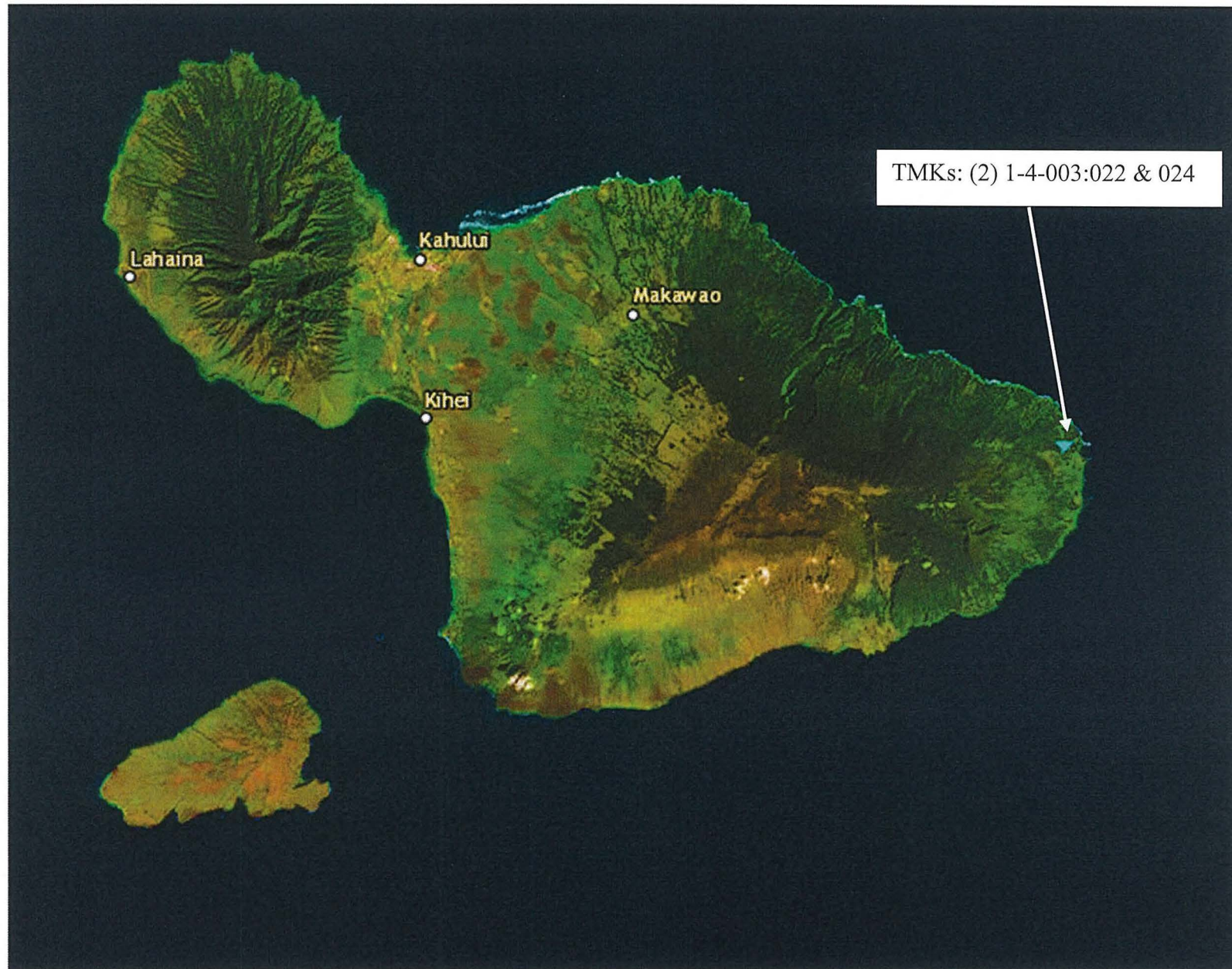


EXHIBIT 1

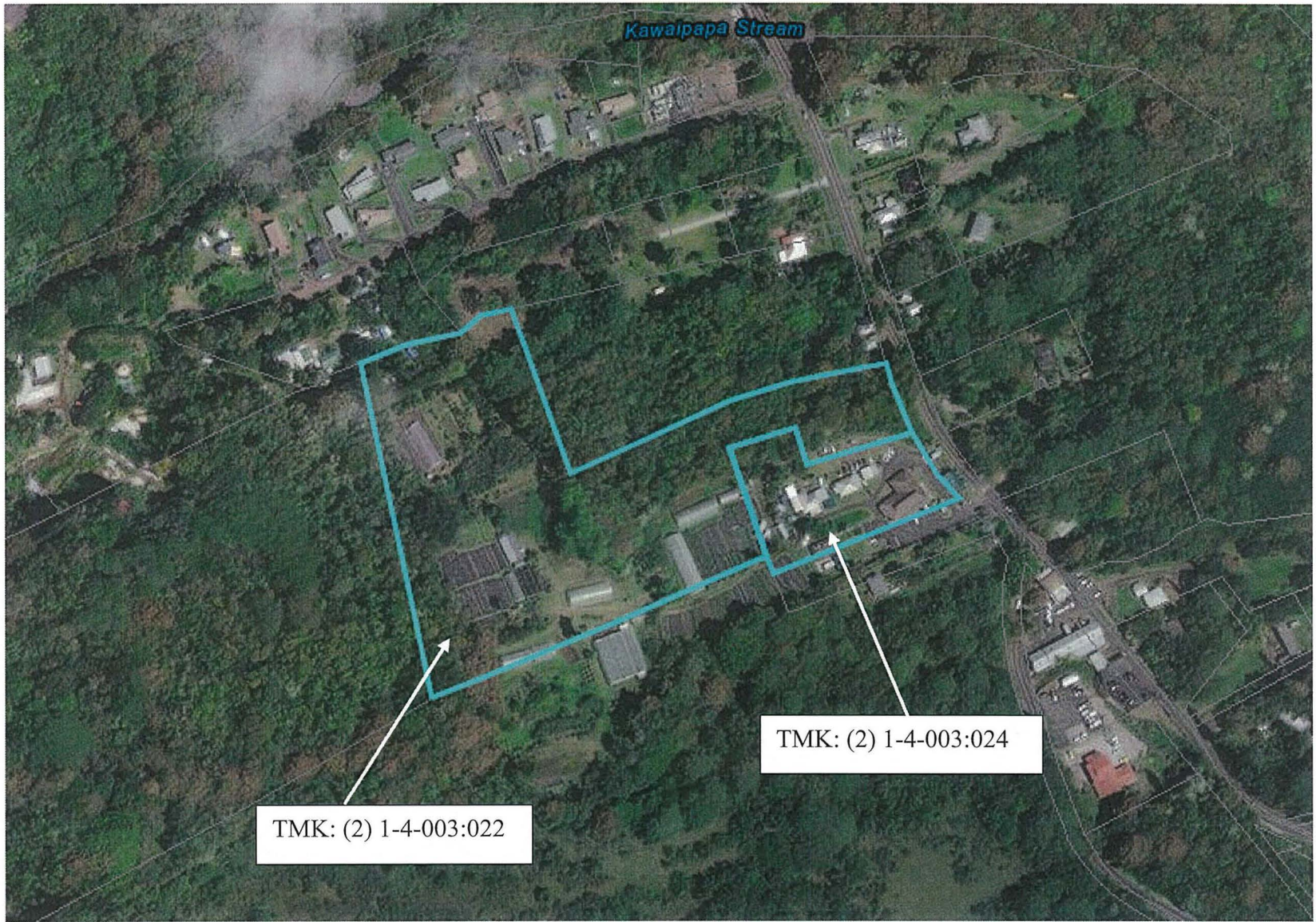
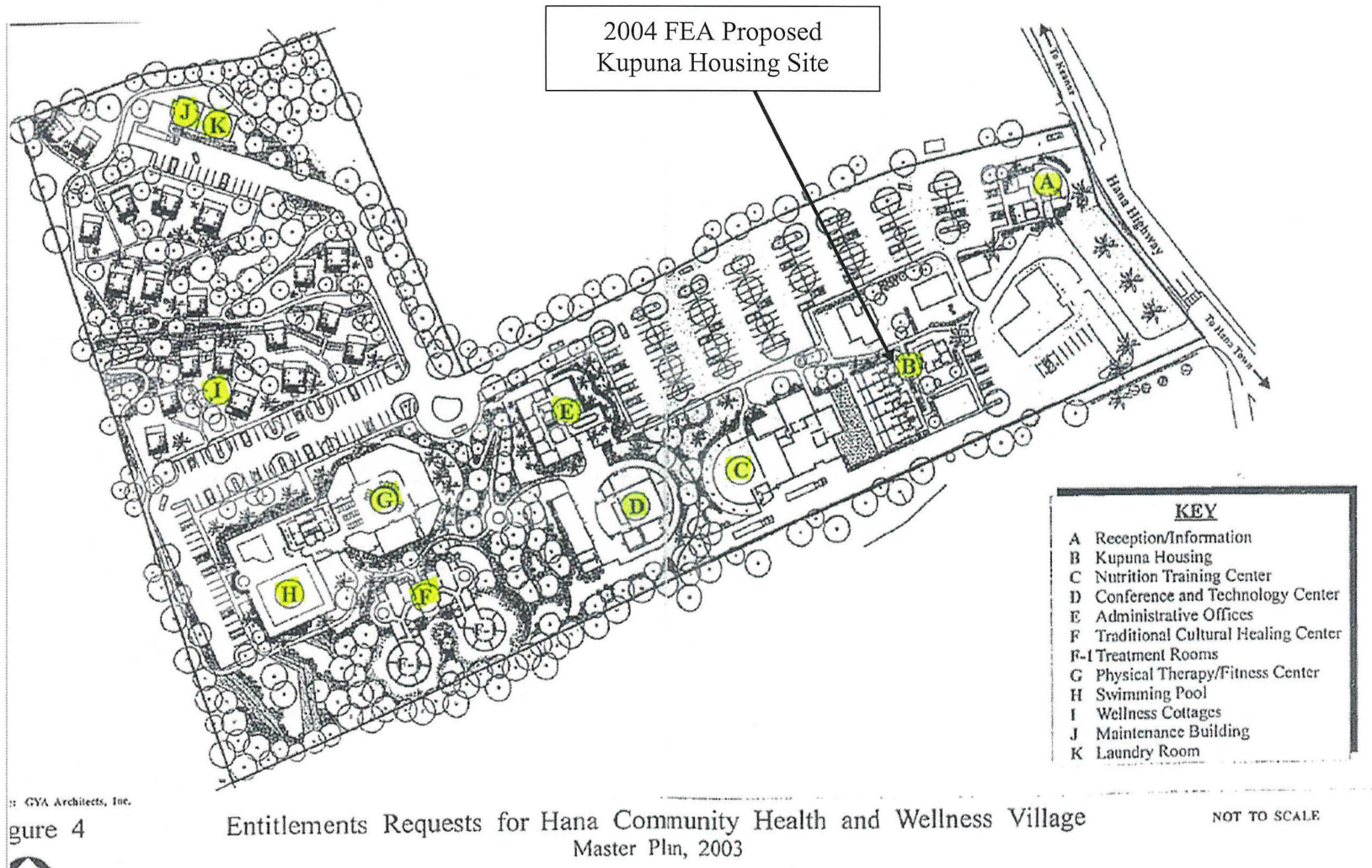
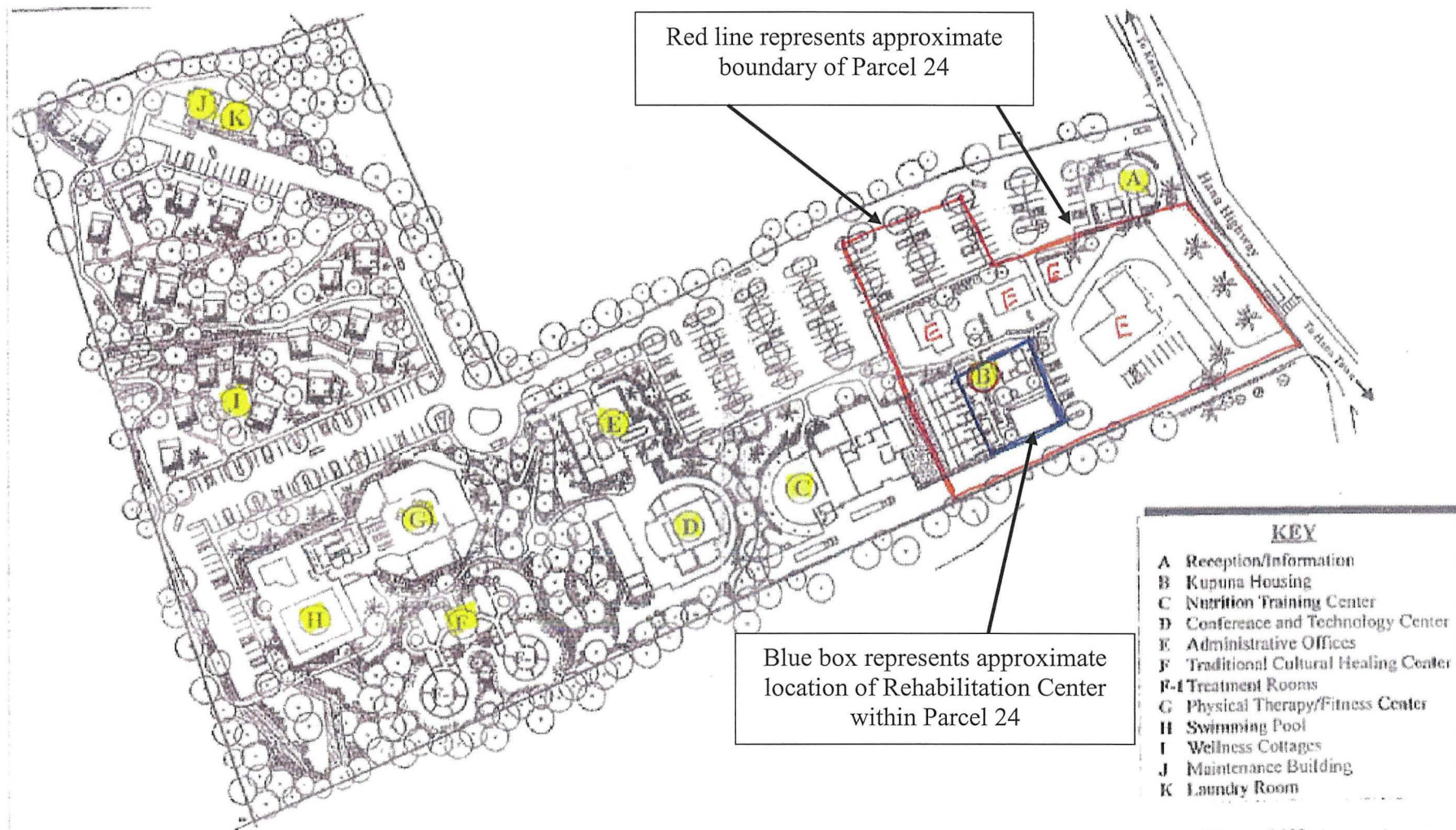


EXHIBIT 1





© GYA Architects, Inc.

Figure 4

Entitlements Requests for Hana Community Health and Wellness Village
Master Plan, 2003

NOT TO SCALE

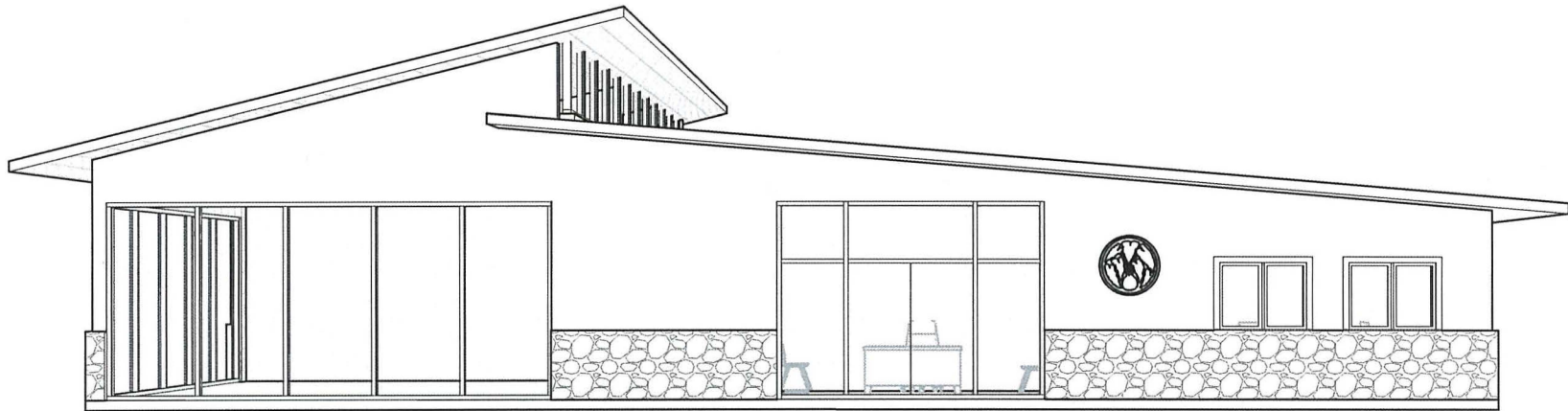
EXHIBIT 3



Blue outline represents approximate location of Rehabilitation Center within Parcel 24

EXHIBIT 4

HANA REHABILITATION AND SUPPORT CENTER



ARCHITECT: URBAN WORKS INC
831 POHUKAINA ST. SUITE E-1
HONOLULU, HI 96813
JOHN IDA

CLIENT: HANA HEALTH
4590 HANA HIGHWAY
HANA, HI 96713
CHERYL VASCONCELLOS, EXECUTIVE DIRECTOR

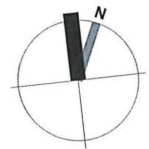
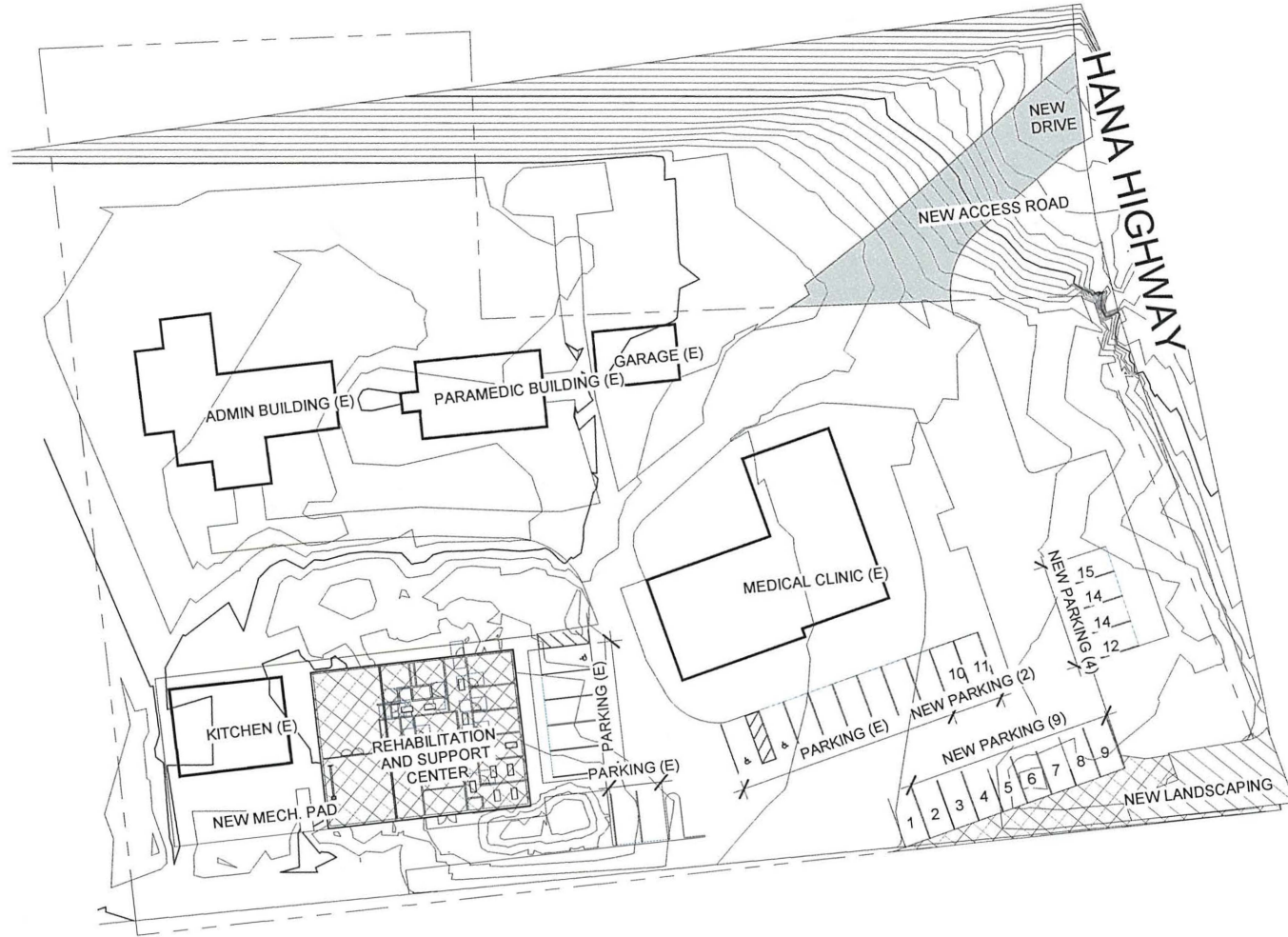
The original size of this drawing is 11" x 17"

URBAN works
architecture | planning | interiors

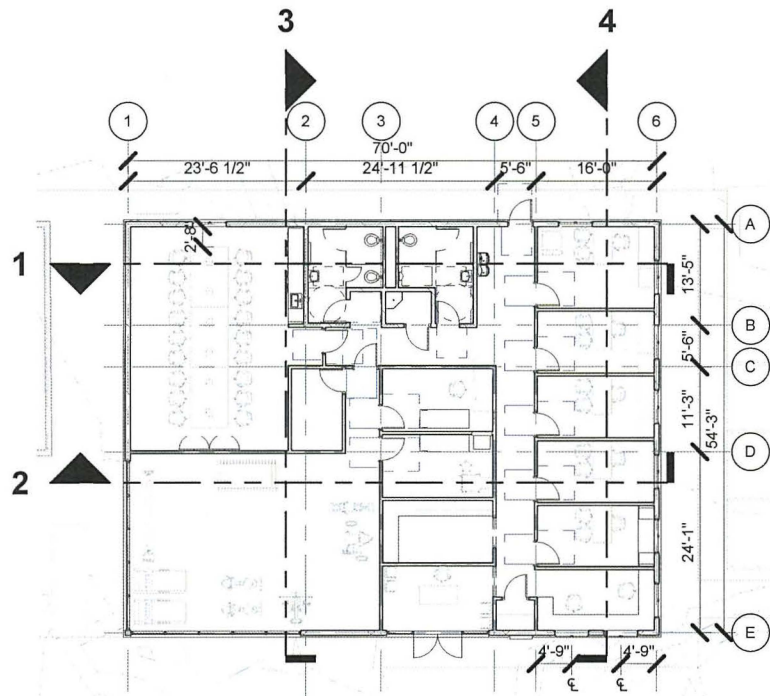
Pre-Design

EXHIBIT 5

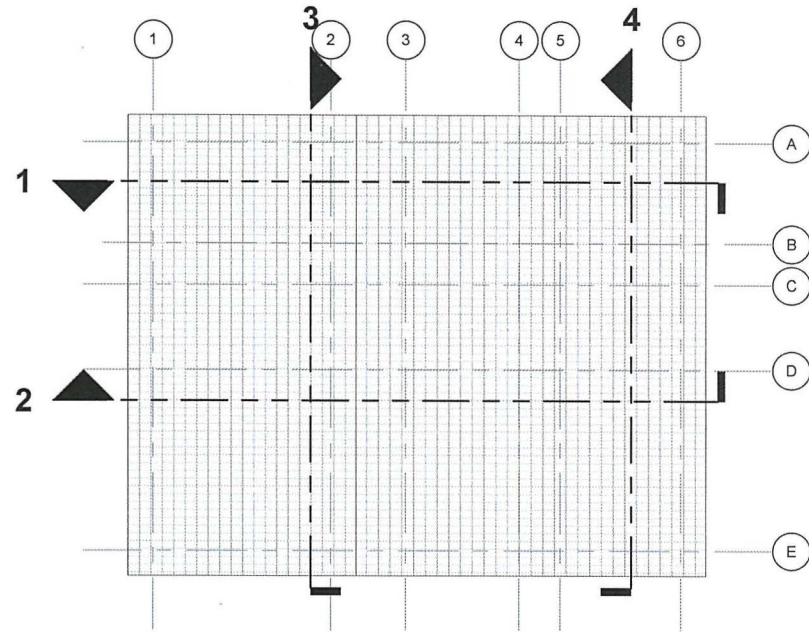
PD-00



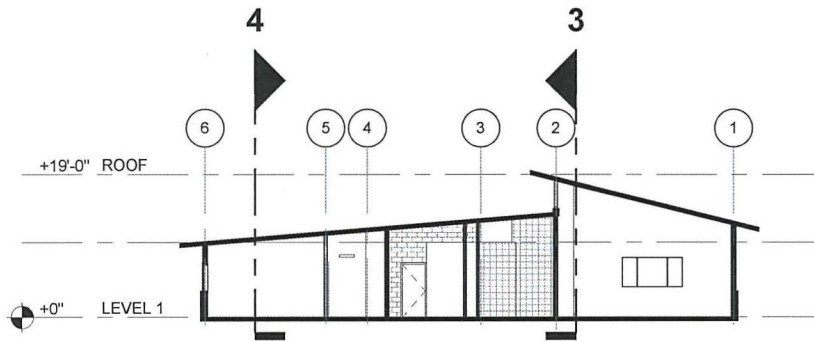
Site Plan



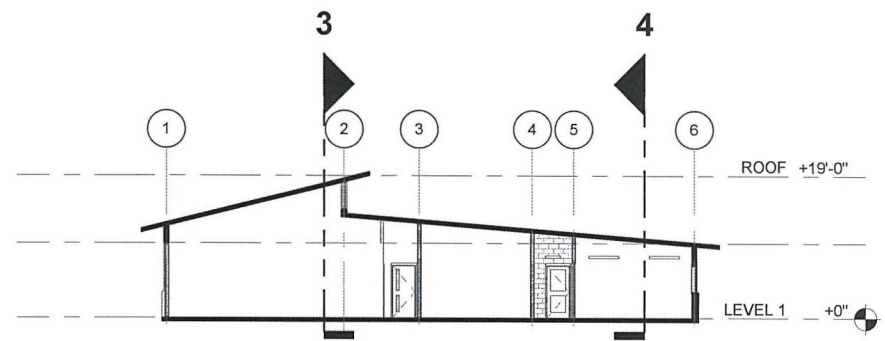
1 LEVEL 1 - (PD)
1/16" = 1'-0"



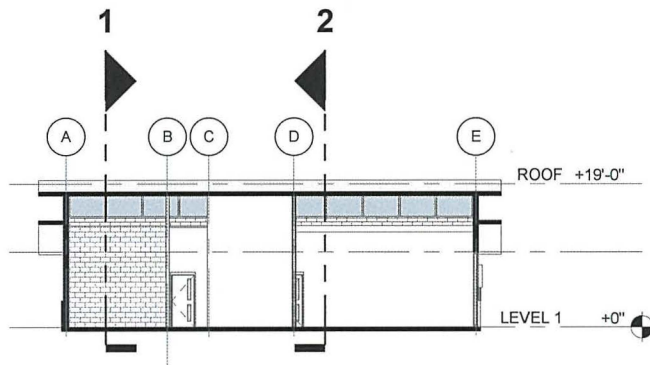
2 ROOF (SD)
1/16" = 1'-0"



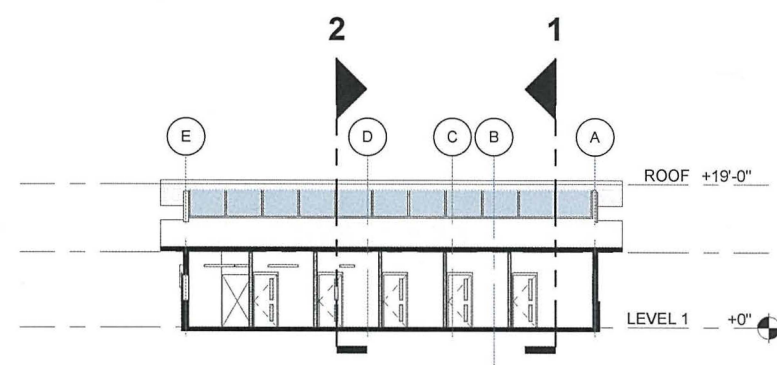
1 Section EW Rehab & RR
1/16" = 1'-0"



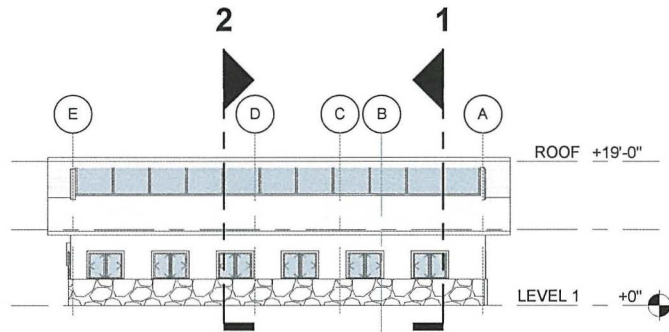
2 Section WE Rehab, BH & Office
1/16" = 1'-0"



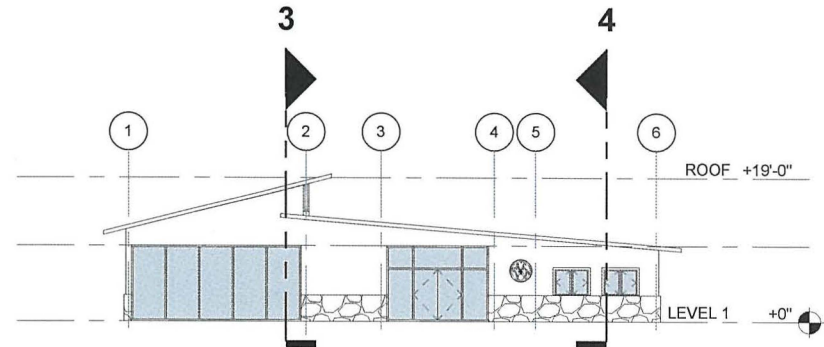
3 Section NS Conf & Rehab
1/16" = 1'-0"



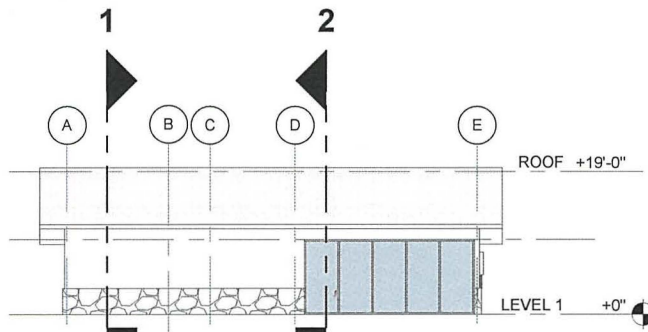
4 Section SN Offices
1/16" = 1'-0"



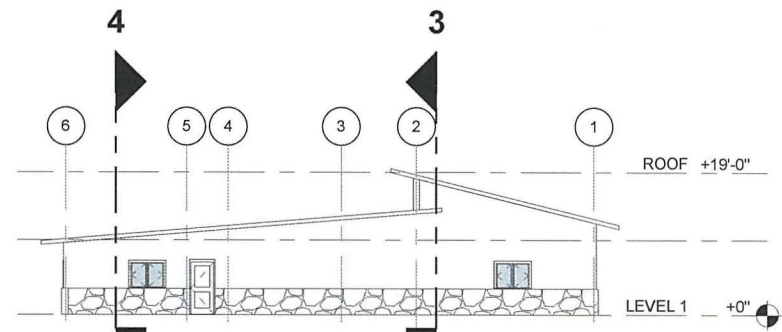
1 EAST ELEVATION (PD)
1/16" = 1'-0"



2 SOUTH ELEVATION (PD)
1/16" = 1'-0"



3 WEST ELEVATION (PD)
1/16" = 1'-0"



4 NORTH ELEVATION (PD)
1/16" = 1'-0"