

DEPT. COMM. NO. 87

**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

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December 15, 2016

The Honorable Ronald D. Kouchi,
President and Members
of the Senate
Twenty-Ninth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Joseph M. Souki,
Speaker and Members of the
House of Representatives
Twenty-Ninth State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Kouchi, Speaker Souki, and Members of the Legislature:

For your information and consideration, I am transmitting a copy of the Office of Planning Annual Report, as required by Section 205A-3(10), Hawaii Revised Statutes. In accordance with Section 93-16, Hawaii Revised Statutes, I am also informing you that the report may be viewed electronically at: <http://dbedt.hawaii.gov/overview/annual-reports-reports-to-the-legislature/>.

Sincerely,



Luis P. Salaveria

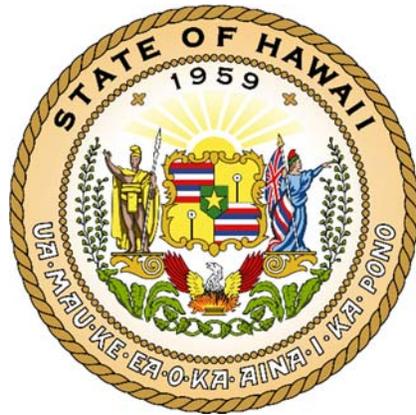
Enclosure

c: Legislative Reference Bureau
Leo R. Asuncion, Office of Planning

FISCAL YEAR 2015 – 2016

OFFICE OF PLANNING

**REPORT TO THE TWENTY-NINTH LEGISLATURE
REGULAR SESSION OF 2017**



Prepared by

**OFFICE OF PLANNING
DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM
STATE OF HAWAI‘I**

This report satisfies Section 205A-3(10), Hawai‘i Revised Statutes

Honolulu, Hawai‘i
December 2016

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**ANNUAL REPORT TO THE TWENTY-NINTH LEGISLATURE
OFFICE OF PLANNING
REGULAR SESSION OF 2017**

I. PURPOSE AND HIGHLIGHTS

Hawai‘i Revised Statutes (HRS) § 205A-3(10) requires the Office of Planning (OP) to prepare an annual report on the Hawai‘i Coastal Zone Management (CZM) Program for submittal to the Governor and Legislature. Due to the integrated nature of statewide planning, this report describes both the CZM Program’s and OP’s office wide activities and accomplishments for the period July 1, 2015 to June 30, 2016.

The following are highlights of accomplishments for the period July 1, 2015 to June 30, 2016.

Reports Published:

- *Status Report on the State Transit-Oriented Development (TOD) Task Force (December 2015)*

Activities and Accomplishments:

Planning Division

CZM Program

- Completed a number of hazard mitigation training events on multiple islands involving earthquake mitigation training in conjunction with the Federal Emergency Management Agency (FEMA) and Hawai‘i State Earthquake and Tsunami Advisory Committee (HETAC)
- In support of Ocean Resources Management Plan (ORMP) implementation activities for the Coral Reef Action Team, provided resources for the facilitation of a public meeting for the Hā‘ena community’s draft management plan in Kīlauea, Kaua‘i
- Conducted a total of thirty-six (36) federal consistency reviews: twenty-two (22) federal agency activities; nine (9) federal license and permit applications; and five (5) federal assistance proposals
- Conducted one (1) ORMP Council on Ocean Resources meeting and five (5) ORMP Coordinated Working Group meetings
- Participated in Interagency Climate Adaptation Committee (ICAC) meetings with OP Director as Co-Chair and CZM Program Manager as a member of the committee

Geographic Information Systems (GIS) Program

- Worked with Enterprise Technology Services (ETS) to migrate the state’s geospatial data to the Esri cloud and integrate it with a locally maintained geodatabase, the geospatial Open Data Portal, and the state’s cloud mapping platform
- Launched a geospatial Open Data Portal providing a searchable interface to the state’s geospatial data, as well as the capability to download data in multiple formats

- Managed the state's cloud mapping platform (ArcGIS Online (AGOL) – 200+ state agency users)
- Managed Esri Enterprise License Agreement (funded by ETS, managed by OP)
- Provided mapping and analysis to the Governor's Office, State agencies and the legislature
- Maintained the State GIS database, which contains over 300 data layers
- Developed several easy to use web applications that the public can use to obtain information zoning, demographic and other information by location (e.g., address, Tax Map Key parcel, etc.)

Special Plans Branch

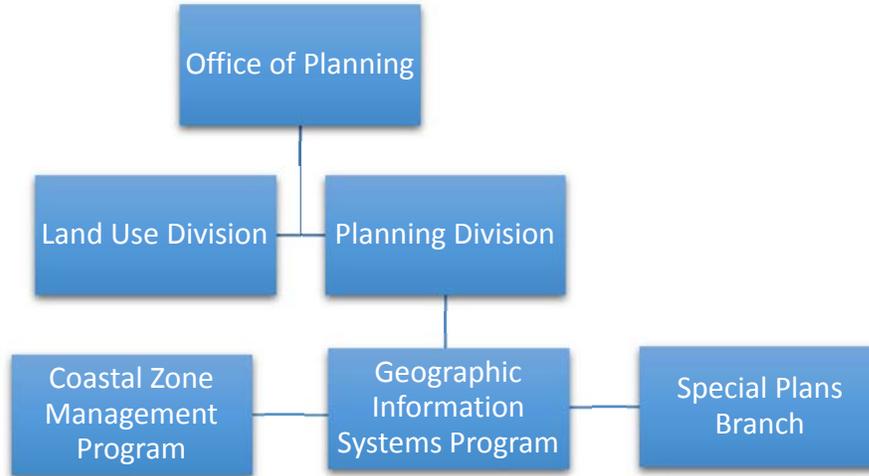
- Co-sponsored two facilitated breakout sessions during the State and FEMA Region IX Annual Regional Public/Private Sector Partnership Workshop held on September 23-24, 2015

Land Use Division

- Provided review and State's position/comment on matters related to Land Use Commission (LUC) dockets
- Actively involved in coordinating and staffing monthly State Transit-Oriented Development (TOD) Task force meeting convened by Senator Chun Oakland
- Updated the State TOD website on OP's website with detailed maps of each of the 21 rail stations

II. INTRODUCTION

OP gathers, analyzes, and provides information to the Governor to assist in the overall analysis and formulation of state policies and strategies. The purpose of OP is to (1) provide central direction and cohesion in the allocation of resources and effectuation of State activities and programs, and (2) effectively address current or emerging issues and opportunities. OP works closely with county, state, and federal governmental agencies; the University of Hawai'i; and various community stakeholders to achieve these objectives.



OP is divided into two divisions, the Land Use Division (LUD) and Planning Division, with programs within each division interacting extensively and relying upon the expertise of each program to provide a comprehensive bank of resources and an integrated statewide planning system. This integrated collaboration concept is necessary for expediency and consistency in meeting OP's mission and responsibilities. In a comprehensive planning manner, all programs within OP share the responsibility of preparing legislation and testimony on bills and resolutions, ensuring program integration within OP and the State; coordinating with local, state, and federal governments and community stakeholders; and providing the administration with planning expertise.

Program Administration

OP provides guidance in the development of Hawai'i through a continuous process of comprehensive, long-range, and strategic planning. The purpose of this planning process is to meet the physical, economic, and social needs of Hawai'i's people, and provide for the wise use of Hawai'i's resources in a coordinated, efficient, and economical manner. This includes the conservation of natural, environmental, recreational, scenic, historic, and other limited and irreplaceable resources which are required for future generations. The State statutory authority of the OP is derived from HRS Chapters 205, 205A, 225M and 226. HRS Chapters 225M and 226 are summarized below, with HRS Chapters 205 and 205A summarized under the LUD and CZM Program sections, respectively.

HRS Chapter 225M, State Planning. This statute spells out the core functions of OP. The OP is charged by the legislature with nine specific activities: (1) state comprehensive planning and program coordination, (2) strategic planning, (3) planning coordination and cooperation, (4) statewide planning and geographic information systems, (5) land use planning, (6) coastal and ocean policy management, (7) regional planning and studies, (8) regional, national, and international planning, (9) climate adaptation planning, and (10) smart growth and transit-oriented development.

HRS Chapter 226, Hawai'i State Planning Act. Under this Act, OP is charged with providing technical assistance in administering the Act. The Hawai'i State Planning Act was adopted in 1978 for the following purposes: (1) improve the planning process in the State, (2) increase the effectiveness of government and private actions, (3) improve coordination among different agencies and levels of government, (4) provide for wise use of Hawai'i's resources, and (5) guide the future development of the State.

Grant Funding and Management

OP manages federal and state funds in order to implement its statutory requirements. During this reporting period, approximately 64 percent of the funds appropriated to OP in the General Appropriations Act of 2015 for FY16 came from federal sources. Due to the reduction of general funds and general funded staff over time, OP cannot leverage additional federal grant opportunities without additional general fund appropriations or in-kind contributions from third-party, non-federally-funded partners.

The CZM Program receives funds which are dispersed annually through federal cooperative agreement awards from the National Oceanic and Atmospheric Administration (NOAA) for basic program administration, program enhancement, implementation of approved polluted runoff management measures and assisting in the implementation of the Hawai'i National Estuarine Research Reserve System.

- **Section 306 Program Administration:** During this reporting period OP received approximately \$1,996,000 in NOAA Section 306 grant funds. These funds are primarily utilized to underwrite most Hawai'i CZM Program administrative costs. The funds require a one-to-one non-federal match and support State and county CZM Program personnel and

important projects. A limited amount of State funds to help match the federal funds is provided in the State budget. However, due to the significant reductions in State funds, Hawai‘i requires the use of other non-federal funds and services-in-kind to meet the match requirement. The decline in State matching funds has been raised as a concern by the federal government. The State’s reliance on federal funds for State civil service positions is a major federal concern, because it detracts from using federal CZM funds for priority Program-related projects.

- **Section 309 Coastal Zone Enhancement Grant Program:** During the previous reporting period, OP received approximately \$171,000 in NOAA Section 309 enhancement grants. This grant 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, cumulative and secondary impacts, energy and government facility siting, marine debris, ocean resources, special management planning, and aquaculture. Although Section 309 funds do not require a state match, they must be used for activities that enhance specified Coastal Zone Management Act (CZMA) objectives which result in a measurable program change (i.e., amendment of rules, laws, etc.).
- **Section 310 of the CZMA - Technical Assistance for the Coastal Nonpoint Pollution Control Program (CNPCP) Implementation:** Through the Section 310 Technical Assistance grant, Congress appropriates 1:1 matching funds to help state CZM Programs implement their CNPCP. In recent years, Congress has not appropriated funds to this program. Although OP did not receive any Section 310 program funds during this reporting period, the CZM Program continued to expend Section 306 funds for the implementation of federally-approved management measures of the State’s CNPCP.
- **Section 315 of the CZMA – National Estuarine Research Reserve System (NERRS):** OP continues to manage the \$100,000, Section 315 NERRS funds, received in July 2014 for the development of the Management Plan and assisting in the development and completion of a National Environmental Policy Act document for the proposed designation. Services-in-kind provided by committee members and other stakeholders (state and county agencies, the university and non-governmental organizations) will provide the match required for these funds. (See National Estuarine Research Reserve System (NERRS) on page 12)

In addition to the CZM federal funds, OP managed federal monies for further development of the Hawai‘i Sub-Regional Ocean Partnership (SubROP) II and Building Resiliency.

- **Further Development of the Hawai‘i Sub-Regional Ocean Partnership (SubROP) II:** OP continues to manage \$300,000 NOAA Coastal Services Center (CSC) funds received in October 2013, to strengthen this existing ocean partnership (SubROP) in the State of Hawai‘i and ensure meaningful collaboration between partners and advisory groups. This two-year effort focuses on meeting the following objectives: (1) Draft a Sub-Regional Ocean Partnership Action Plan; (2) Contribute support for and recommendations to the Pacific Regional Ocean Partnership; (3) Integrate the National Ocean Policy priorities, as

applicable, into the State's Ocean Resources Management Plan; and (4) Identify opportunities to collaborate on coastal and marine spatial planning (CMSP). Activities under this award are expected to be completed by September 30, 2016.

- **Coastal Resilience Networks (CRest) Project:** The OP continues to manage the \$100,000, NOAA CSC funds, received in July 2014, to advance and strengthen Hawaii's preparedness for the impacts of climate change. Specifically, the awarded project will develop recommendations to strengthen building codes to account for existing coastal hazards and future climate risks. (See Climate Change Adaptation on page 11)

In addition to the CZM and CSC federal funds, OP managed federal monies for economic development and environmental remediation.

- **U.S. Department of Commerce, Economic Development Administration (EDA) Grant Programs:** The OP continues to manage the \$180,000 EDA grant, received in 2014, to complete a major update of the Hawai'i Comprehensive Economic Development Strategy (CEDS). The Hawai'i CEDS update is a locally initiated planning process designed to provide a tool for guiding the efforts of local individuals and organizations in economic development and sustainability. OP also continued to manage an EDA grant totaling \$150,000 to complete and publish the development of a natural disaster economic development strategy. (See Major Update of the Hawai'i CEDS on page 16)
- **Hawai'i Brownfields Cleanup Revolving Loan Fund (HBCRLF):** This program provides a source of low-cost financing to eligible public, private, and non-profit borrowers for the cleanup of contaminated sites across the State. The program was capitalized with a \$2 million grant from the U.S. Environmental Protection Agency (EPA). The EPA grant ended in April 2011, and the HBCRLF Program is currently operating under a closeout agreement with EPA to continue the cleanup loan program with funds that revolve from HBCRLF loan repayment. (See Hawai'i HBCRLF on page 16)

III. PLANNING DIVISION

The Planning Division of OP includes the Coastal Zone Management (CZM) Program, Geographic Information Systems (GIS) Program, and the Special Plans Branch (SPB). A summary of each program, together with the program's activities and accomplishments for the reporting period is provided below.

A. COASTAL ZONE MANAGEMENT PROGRAM

The CZM Program was enacted as the State's policy umbrella for facilitating and assuring interrelated and comprehensive coastal resource management. The CZM Program is the guiding perspective for the design and implementation of allowable land and water uses and activities throughout the State.

Authority: HRS Chapter 205A, Coastal Zone Management. OP is the lead agency under the federal Coastal Zone Management Act of 1972, as amended. The CZM Program is funded through a cooperative agreement with the NOAA, Office for Coastal Management (OCM). The CZM Program provides guidance and funding to counties to support their administration of the special management area permitting process, prepares and updates the ORMP, administers the Coastal Estuarine and Land Conservation Program (CELCP), and evaluates federal actions for compliance with the Coastal Zone Management Act (CZMA).

Federal Consistency Program

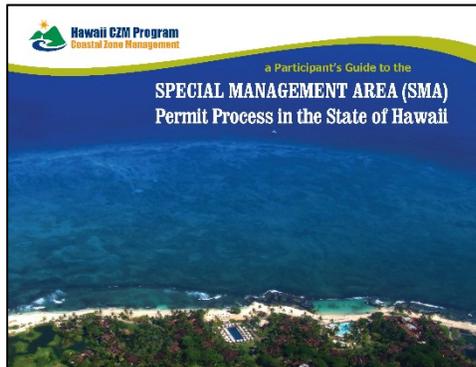
The CZMA requires federal agencies to conduct their planning, management, development, and regulatory activities in a manner consistent with federally-approved state CZM programs. The informational and procedural requirements for CZM federal consistency reviews are prescribed by federal regulations.

Because there is a significant federal presence in Hawai'i, federal consistency is a valuable State management tool. Federal planning, regulatory, and construction activities may have direct and significant effects on land and water environments statewide. 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 and uses.

Major Federal Consistency Reviews (July 2015 – June 2016)

- Dept. of the Navy, Hawai'i - Southern California Training & Testing project
- Hilo Harbor Pier 4 Interisland Cargo Facility
- Ala Wai Canal Flood Reduction Project
- Kalaeloa Artificial Reef Project

Special Management Area (SMA) and Shoreline Area



The CZM Program is the lead agency in the administration and management of the SMA program, and is responsible for monitoring and enforcing SMAs. The SMA permitting system is part of the CZM Program approved by NOAA and the State. Under Parts II and III of HRS Chapter 205A, the counties administer the SMA permit and shoreline setback variance (SSV) approval systems. Development in the SMA requires a permit from the county authority, except in a Community Development District (CDD) where the SMA Use Approval is administered by OP (Kaka'ako in urban Honolulu and Kalaeloa in West O'ahu). The SMA Use Approval is a management tool used to ensure that development in geographically designated SMAs is designed and carried out in compliance with the CZM Program objectives and policies (HRS § 205A-2) and SMA Guidance (HRS § 205A-26).

Citizen Participation

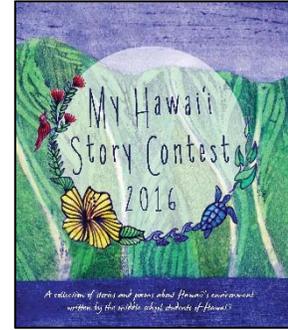
Public participation and outreach is an ongoing OP activity. For example, participation in numerous organizations, events, and conferences continue to educate others of the CZM Program's perspective about public involvement in integrated ocean and coastal resource management. Citizen involvement is important because stewardship is essentially a community function, and success in resource planning and management is enhanced with community partnerships.

Office of Planning Website: The OP website (<http://planning.hawaii.gov>) is continually updated and provides important information and resources about OP's initiatives and projects. OP also has a Twitter feed (PlanningHIgov) and Facebook page (OfficeofPlanning.HIgov). These social media tools are used for posting announcements about projects that OP is working on or documents that are available online.

Sponsorship and Participation: OP utilizes resources to sponsor and participate in various projects to enhance citizen participation and encourage compliance with the statutory mandates. The following projects were completed during this reporting period:

- Supported the annual Get the Drift and Bag It! Cleanup that is part of the Ocean Conservancy's *International Coastal Cleanup* and is held on the third Saturday of each September worldwide. The cleanup garners hundreds of volunteers statewide and collect thousands of pounds of trash which is tabulated and displayed on the Ocean Conservancy's website (www.oceanconservancy.org/our-work/international-coastal-cleanup/).
- Co-sponsored two facilitated breakout sessions during the State and FEMA Region IX Annual Regional Public/Private Sector Partnership Workshop held on September 23 and 24, 2015. The workshop, "Prepare, Respond and Recover with Kōkua and Aloha", was held in Honolulu, and focused on addressing collaboration between the public and private sectors before, during, and after a disaster.

- *My Hawai‘i Story Project 2016 - An Anthology*” – the CZM Program funded the printing of this annual publication of the Hawai‘i Conservation Alliance Foundation. This collection of stories and poems is about Hawaii’s environment written by Hawai‘i middle school students. The project promotes collaboration and stewardship by developing education and outreach programs to educate residents and visitors on natural and cultural resource values, regulations, and best practices (<http://www.HawaiiConservation.org>).
- Co-sponsored the Hawai‘i Congress of Planning Officials (HCPO) / Hawai‘i Geographic Information Coordinating Council (HIGICC) Joint Conference. The conference included joint and individual plenary sessions, mobile workshops, breakout sessions and specific educational seminars. Registered attendees had freedom to attend any session regardless of affiliation (i.e. GIS or Planning). The theme of the conference, “Island Futures” included a discussion of environmental, economic, social, and technological topics at play currently, which in turn are shaping Hawaii’s future. Topics ranged from smart growth, to creative project funding strategies, use of geodesign principles and GIS to create tools that assess various land use scenarios, to resiliency with respect to island issues such as climate change, sea level rise and coastal hazards. Case studies and current management methods were presented in all of the topics.

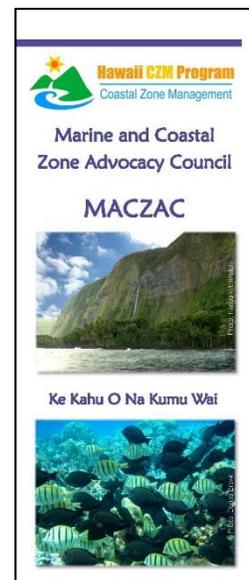


Outreach, education, and presentations on the CZM Program and its initiatives were presented to a wide variety of audiences at various events, some of which include:

- Marine and Coastal Zone Advocacy Council (MACZAC)
- Coastal States Organization (CSO) Annual Membership meetings
- 2015 International Marine Spatial Planning Symposium
- 2015 National Ocean Council Governance Coordinating Committee meeting

Marine and Coastal Zone Advocacy Council: HRS § 205A-3(6), established a formal public participation component in the CZM Program. To further this aim, MACZAC was established as a public advisory body to identify coastal management problems, and to provide advice and assistance to the CZM Program and OP.

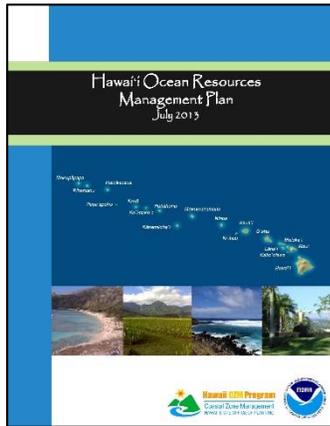
Mandated under HRS § 205A-3.5, MACZAC is to work toward implementing an integrated and comprehensive management system for marine and coastal zone resources. MACZAC is tasked with supporting OP by providing advice regarding marine and coastal zone management planning, coordination, and facilitation of functions of the CZM Program. MACZAC is statutorily charged with the following functions: evaluating the CZM Program, including activity of the network agencies, and making recommendations for improvements; advocating for the CZM Program to the public, and the executive and legislative branches of government; and advocating, providing for, and acting upon citizen input.



The MACZAC activities are coordinated by a project administrative assistant and CZM Program staff. The MACZAC meetings are held quarterly, while its working groups meet more often, as needed. MACZAC activities are governed by the State’s Sunshine Law, HRS Chapter 92; consequently, MACZAC meetings are open to the public and follow the publicly noticed agenda. Members of the general public along with employees of nongovernment organizations (NGO) and government agencies regularly attend MACZAC’s meetings, and are provided the opportunity for public comment. MACZAC’s meeting agendas and meeting minutes are posted on the MACZAC page of the CZM Program’s website (<http://planning.hawaii.gov/czm/maczac/maczac-agendas-and-minutes/>), and are widely distributed in electronic and hardcopy form.

MACZAC is composed of 12 community members providing a balanced representation of interests in the areas of Business, Environment, Practitioners of Native Hawaiian Culture, Terrestrial and Marine Commerce, Recreation, Research, and Tourism.

Ocean Resources Management Plan



The ORMP sets forth guiding principles and recommendations for the State to achieve comprehensive and integrated ocean and coastal resources management. HRS § 205A-62, charges the CZM Program with the review and periodic update of the ORMP, as well as coordination of the overall implementation of the plan. The ORMP is an integrated, place-based approach to management of ocean resources in the islands, based on recognition of the ecological connections between the land and sea, the link between human activities and its impacts on the environment, and the need for improved collaboration and stewardship in natural resources governance.

During this reporting period, the major topics of discussion and development have been focused on the implementation of the 2013 ORMP and climate change adaptation. The implementation of the ORMP through a new governance structure of the Hawai‘i Ocean Partnership Agreement adopted in November 2013, the ORMP Policy Group, now the Council on Ocean Resources (Council), created a Coordinated Working Group (CWG) and two Action Teams (ACTs) to work on three ORMP management priorities: Appropriate Coastal Development Management of Coastal Hazards, and Coral Reefs.

Implementation of the 2013 ORMP: The CWG continues to meet monthly and ACTs meet as needed and work towards the implementation of the updated 2013 ORMP. During this reporting period, CZM Program utilized funds in the amount of \$2,300 to support implementation of ORMP activities for the Coral Reef ACT. In support of efforts to “increase in number of community based subsistence fishing area (CBSFA) rule packages adopted by the Board of Land and Natural Resources (BLNR),” the CZM Program provided resources for the facilitation of a public meeting for the Hā‘ena community’s draft management plan in Kīlauea, Kaua‘i. OP staff continues to work to develop and implement an on-line dashboard in response to the public’s request for annual updates on ORMP progress. OP staff continues to collect baseline data from ORMP agencies as an initial step towards this on-line report card.

Climate Change Adaptation: The OP continues to collaborate with the Department of Land and Natural Resources (DLNR) in their capacity as co-chairs of the ICAC, established by Act 83, Session Laws of Hawai‘i (SLH) 2014. Act 83 tasks the DLNR to support the ICAC in developing a Sea Level Rise Vulnerability and Adaptation Report (SLR Report) for the State of Hawai‘i and authorizes the OP to coordinate the development of strategic climate adaptation plans and policy recommendations using the SLR Report as a framework for addressing other statewide climate impacts.

Coastal Resilience Networks (CRest) Project: In 2014, OP received \$100,000 (NOAA CSC funds) to advance and strengthen Hawaii’s preparedness for the impacts of climate change, especially those that will exacerbate current threats to coastal life and property. OP continues work on the awarded project, which will develop recommendations to strengthen building codes to account for existing coastal hazards and future climate risks. The resulting model ordinance will offer dramatic societal benefits in terms of future reduced damages and increased survival rates in the event of a natural disaster. While the scope of the project is limited to the City and County of Honolulu, the proposed approach will serve as a model for the County of Hawai‘i, County of Kaua‘i, and County of Maui; island territories throughout the Pacific; coastal management programs; and communities across the nation who are grappling with preparing for and adapting to the impacts of climate change.

Hawai‘i Green Growth / Aloha + Challenge: OP continues to serve as a member of the Hawai‘i Green Growth (HGG), a voluntary partnership of more than 50 state, county, federal government and non-government leaders in energy, food, and the environment working together to achieve the six sustainability targets set forth by the Aloha+ Challenge. The CZM Program staff co-leads the development of sustainability indicators related to the “Smart Sustainable Communities” target to increase the liability and resilience of Hawaii’s built environment through planning and implementation at the state and county levels.

Coastal Hazards

Hawai‘i is threatened by numerous hazards, many of which affect the near shore area. These hazards include coastal erosion, earthquakes, tsunamis, hurricanes, sea level rise, flooding, subsidence, lava flows, and wildfires. These hazards can result in significant loss of life, property and environmental damage, business loss and interruption, and damage to historical and cultural resources.

An objective of the Hawai‘i CZM law is to reduce hazard to life and property from tsunami, storm waves, stream flooding, erosion, subsidence, and pollution. A related objective deals with the improvement of the development review process in the management of coastal hazards. The hazard mitigation work of the Hawai‘i CZM Program is focused on meeting these objectives to achieve greater community resilience to natural hazards.

Probabilistic Tsunami Design Zone Maps: The CZM Program continues to work on a 5-year strategy to support the development and subsequent adoption of comprehensive high resolution probabilistic tsunami design zone maps for the State of Hawai‘i for upcoming use with the

The CNPCP primarily focuses on pollution prevention through the implementation of management measures developed by the EPA.

The CNPCP-established management measures are the best available, economically achievable practices or combinations of practices that can be used to address nonpoint source pollution. The management measures are designed to control runoff from six main sources: forestry, agriculture, urban areas, marinas, hydromodification (shoreline and stream channel modification), and wetlands and vegetated shorelines, or riparian areas. These measures are backed by enforceable state policies and actions that will ensure implementation of the program. OP continues to move forward with its *Strategy to Address Remaining Management Measures* that was approved by NOAA and EPA in 2008. In 2012, the Hawai'i CZM Program received an interim decision document stating the OP has a few remaining conditions that need approval: new development, on-site disposal system, local roads and bridges, and monitoring and tracking. Since then, OP has worked with DOH, EPA, and NOAA to address these remaining conditions.

Coastal and Estuarine Land Conservation Program

NOAA's Coastal and Estuarine Land Conservation Program (CELCP) has assisted the CZM Program in protecting and preserving coastal scenic and open space resources and valuable coastal ecosystems. The CZM Program supplemented the funds provided by NOAA for the development of a State CELCP plan. The plan provides an assessment of priority land conservation needs and clear guidance for nominating and selecting land conservation projects within the State. By utilizing the State CELCP Plan in partnership with interested government, private for-profit and not-for-profit organizations, and the public, the CZM Program has been able to identify and develop proposals to submit for annual competitive NOAA CELCP grants. During this reporting period, there was no CELCP funds appropriated to Hawaii and the CZM Program did not receive any CELCP grant applications.

B. GEOGRAPHIC INFORMATION SYSTEMS (GIS) PROGRAM

HRS Chapter 225M, tasks OP with leading and coordinating a State Geographic Information System (GIS). In carrying out its statutory mandate as the lead agency for GIS in Hawai'i State government, OP's GIS Program supports and coordinates GIS efforts across state agencies and conducts spatial analysis and mapping for projects and initiatives in OP, DBEDT, and other State agencies. In addition, OP is responsible for collecting, integrating, analyzing, maintaining and disseminating various forms of geospatial data and information to further effective state planning, policy analysis and development and the delivery of government services. OP encourages data sharing among agencies to minimize stove-piping of data, reduce costs, and minimize duplication of effort.

GIS is an effective analysis and decision support tool that provides a graphical, and location-based or spatial context to statistical and compiled data. It is a platform on which complex analysis can be performed to plan resource distribution, or identify and prioritize areas for conservation or economic development; GIS analysis may expose spatial distributions or trends over time not readily evident in raw data; it may reveal possible cause-and-effect or correlative relationships

among different data sets; or it may be used in "what-if" scenarios to predict outcomes by varying parameters.

The GIS database, managed and maintained by the GIS Program, contains over 300 data layers, including contributions from federal, state and county agencies. Over 100 spatial and tabular datasets are publicly available for download from the website maintained by the State GIS Program (www.planning.hawaii.gov/gis), including information on TMK parcel boundaries, land use zoning, natural resource information, and hazard data. In addition, most are also available in the state's recently launched geospatial Open Data Portal (<http://geodata.hawaii.gov>), which is a searchable index of the state's geospatial data that also provides utilities to preview data and download it in a variety of formats, either as a full dataset or just a selected portion of it. Some datasets are not available publicly because of security or confidentiality concerns, or because of licensing restrictions, but are available to government agencies to utilize for planning or analysis purposes.

The GIS Program continued to maintain the Statewide GIS database, adding, updating and making available a large variety of datasets, including parcels, airports, benthic habitat, census tracks and blocks, critical habitat, flood insurance zones, important agricultural lands, golf courses, harbors, reserves, solar radiation, trails and US Department of Defense Lands.

Migration

During the reporting period, the GIS Program in partnership with ETS successfully migrated the statewide GIS data from the Pacific Disaster Center (PDC) site to the Esri cloud, which also included categorization of statewide GIS data into more intuitive classifications. The period also saw continued growth of the state's cloud based mapping platform (ArcGIS Online or AGOL). There are currently over 200 state agency users of the cloud platform.

With ETS' assistance, the GIS Program also migrated existing shared data files from a 10-year old file server into a file geodatabase on a new server hosted in the State's Government Private Cloud (GPC) accessible to authorized users on the State's internal network for more complex geospatial analysis. This file geodatabase is the repository for the State's authoritative geospatial data, and as such receives all new and updated data. That data is then fed up to the Esri cloud, where it is published as web services and made available to the general public. Seventy (70) GIS users from across State agencies have been successfully migrated to the file geodatabase on the GPC server.

GIS Database Products

During this reporting period, the GIS Program's maps, products, and applications assisted OP programs in the assessment of environmental and ecological impacts from proposed uses and

developments and helped illuminate important issues and concerns, positively impacting decisions on permits and approvals. The Program also performs mapping and analysis for the legislature and provides technical support to all State agencies using GIS.

The GIS Program staff developed a number of publicly available, easy-to-use, web-based applications, such as the HI-5 “Find a Redemptive Center” in which a user can enter an address or click on a point on the map to locate and identify nearby recycling redemption centers. The GIS Program also worked with Esri to update an application which can be used to obtain information about legislators, such as legislative district boundaries, contact information, and links to legislators’ websites. This application was included on the Hawai‘i State Legislature Home page. In addition, applications were developed to display data from the U.S. Census Bureau’s American Community Survey (ACS) 5-year selected estimate profiles showing population estimates by county of several periods through 2015, and showing demographic and economic information by census tract or legislative district.

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| <p style="text-align: center;"><u>GIS Program</u>
<u>Collaborates with Agencies:</u></p> <ul style="list-style-type: none">• DBEDT – Research & Economic Analysis Division• DBEDT – Business Development and Support Division• DBEDT – State Energy Office• DBEDT - Creative Industries Division• DBEDT - Hawai‘i Tourism Authority• DBEDT – LUC• Governor’s Office• Office of Enterprise Technology Services• Dept. of Agriculture• Dept. of Health• Dept. of Education• Office of Elections |
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Enterprise License Agreement

The GIS Program staff managed the State’s Enterprise License Agreement (ELA) with Esri for GIS software and services (funded by ETS). The agreement provides for the unlimited deployment of most of Esri’s GIS software products to state agencies, the judiciary and the legislature for the term of the contract. It also provides several subscriptions to Esri’s cloud mapping platform (AGOL). In addition to the general Statewide GIS cloud site for use by all State agencies, organizational accounts have been set up for the Departments of Health and Transportation, the Offices of Elections and Hawaiian Affairs, and both the State House and State Senate.

Hawai‘i Board on Geographic Names

The GIS Program staff provides support and assistance to the Hawai‘i Board on Geographic Names on which the OP’s Director serves. The purpose of the Board, created by Act 50, SLH 1974 (codified as HRS Chapter 4E), is to assure uniformity in the use and spelling of the names of geographic features within the State. The Board is responsible for designating official names and spellings of geographic features in Hawai‘i and has undertaken a multi-year project, reviewing each name that appears on the quadrangle maps and in the U.S. Geographic Names Information System (GNIS) and adding the ‘okina and kahakō, or diacritical marks, as appropriate.

Hawai‘i Geographic Information Coordinating Council

The GIS Program is an active participant in the Hawai‘i Geographic Information Coordinating Council (HIGICC). This non-profit, 501(c)(3) organization consists of members of Hawaii’s

geospatial community from all sectors – federal, state, county, private and non-profit. It provides coordination of geospatial activities in Hawai‘i, and works to promote data sharing and data standards throughout the state. In addition, GIS Program staff represents Hawai‘i in the National States Geographic Information Council (NSGIC).

C. SPECIAL PLANS BRANCH

The Special Plans Branch (SPB), is tasked with carrying out the functions of OP related to statewide planning under the Hawai‘i State Planning Act. The SPB conducts statewide planning and coordination as well as policy analysis to address critical areas of concern affecting the direction, rate and character of growth (primarily land use and economic growth). During this reporting period the activities of the SPB included the major update the 2010 Hawai‘i Statewide CEDS; Co-sponsoring facilitated breakout sessions during the FEMA Region IX Annual Regional Public/Private Sector Partnership Workshop; and administration of the Hawai‘i Brownfields Cleanup Revolving Loan Fund (HBCRLF) program.

Major Update of the Hawai‘i CEDS

During this reporting period, the SPB continued on the major update of the 2010 Hawai‘i Statewide CEDS funded by an \$180,000 EDA grant. The objective is to update the 2010 Hawai‘i Statewide CEDS through county and community level data collection and community input activities.

Comprehensive Review and Update of the Hawai‘i State Planning Act

During the next period, the SPB proposes to undertake a comprehensive review of HRS Chapter 226, the Hawai‘i State Planning Act – with respect to how it aligns with current and emerging conditions and issues and its effectiveness in addressing the needs of Hawaii’s people and providing for Hawaii’s future. The last comprehensive review of the Hawai‘i State Planning Act, was initiated in 1983, completed in 1985, and resulted in the enactment of legislation to fine tune the goals, policies, and objectives of Part I and priority guidelines of Part III.

Natural Disaster Economic Recovery Strategy

The Hawai‘i Natural Disaster Economic Recovery Strategy (NDERS) addresses pre-disaster business continuity planning and post-disaster recovery actions for both public and private sectors. This strategy especially focuses on small business and economic recovery since small businesses are a driver of Hawaii’s economy. During this reporting period, the SPB co-sponsored the two facilitated breakout sessions during the State and FEMA Region IX Annual Regional Public/Private Sector Partnership Workshop held on September 23 and 24, 2015. The conference, "Prepare, Respond and Recover with Kōkua and Aloha", was held in Honolulu, and focused on addressing collaboration between the public and private sectors before, during and after a disaster. In coordination with the Hawai‘i Emergency Management Agency (HI-EMA), a facilitator funded in part by this grant, led two breakout sessions to assist participants in prioritizing the Recommended Implementation Strategies from the NDERS. The results of the prioritization will be used to inform future meetings to continue momentum on the strategy.

Hawai‘i Brownfields Cleanup Revolving Loan Fund (HBCRLF)

This is a federally funded program administered by OP that provides low-cost loans to eligible public and private entities to cleanup brownfields sites where economic or community

development projects show the greatest need, exhibit long-term project viability and demonstrate the capacity for repayment. The program's first loan of \$1.97 million to Department of Hawaiian Home Lands for the remediation of the East Kapolei pesticide mixing and loading facility site was repaid in FY 2014, upon successful completion of the remediation of the site.

Kūmakua Affordable Housing Project, Hāwī, Hawai'i. In November 2014, the Hawai'i Island Community Development Corporation (HICDC), a non-profit community development corporation on Hawai'i Island, was awarded an HBCRLF loan of approximately \$592,000 for the cleanup of a former pesticide mixing and loading facility site situated on lands in Hāwī, Hawai'i. HICDC executed a cleanup agreement with the DOH Hazard Evaluation and Emergency Response (HEER) Office to remove contaminated soils on land within Phase III of the Kūmakua Affordable Housing Project, a self-help housing subdivision that HICDC is developing. The cleanup project and site restoration work was completed in May 2016. The issuance of a No Further Action letter from HEER Office is anticipated once post-cleanup soil testing confirms that the contaminated soils have been removed. Issuance of the No Further Action letter will allow the project to proceed with the next phases of the affordable housing project. The loan is anticipated to be paid off before September 2017.

Ola Ka 'Ilima Artspace Lofts, Honolulu, O'ahu. Artspace, a Minnesota-based non-profit organization that develops affordable places for artists to live and work, expressed interest in a possible loan to address cleanup/remediation contaminated soils at their project site in Kaka'ako. The project is envisioned to be a mixed-use arts development, which will include 84 units of affordable live/work space for low-income artists and their families, as well as 10,000 square feet of green space, and more than 7,000 square feet of community and commercial space for arts-oriented business. Loan program information was provided to the non-profit developer. Artspace Projects contracted with an environmental consultant to evaluate the site's cleanup and remediation options, and will consider applying for a HBCRLF loan once they have completed this process.

Special Action Team on Affordable Rental Housing

On June 29, 2016, Governor David Ige signed into law Act 127, SLH 2016. Act 127 addresses rental housing by establishing an affordable rental housing goal, and establishing a Special Action Team on affordable rental housing, led by the Director of the Office of Planning. The goal is to develop, or vest the development of at least 22,500 affordable rental housing units, ready for occupancy between January 1, 2017 and December 31, 2026. The SPB will work with the members of this Special Action Team to achieve the goals of Act 127, SLH 2016 and submit annual reports to the legislature.

IV. LAND USE DIVISION

The Land Use Division (LUD) of OP represents the State's interests and positions on quasi-judicial proceedings before the State Land Use Commission (LUC) regarding land use district boundary amendment petitions. The LUD evaluates boundary amendment petitions to assure that they (1) are consistent with State regulatory requirements and (2) provide mitigation that addresses reasonably foreseeable impacts of a proposed project on State resources. The LUD also reviews and comments on special permit petitions involving land less than 15 acres in which a county planning commission rules on "unusual and reasonable uses" within agricultural and rural districts other than those for which the district is classified.

The LUD is also the lead on periodic Land Use District Boundary Reviews as required in HRS § 205-18. During the fiscal period, the LUD worked on the production of GIS overlays and analyses to describe the current status of the district boundaries in light of county land use plans and programs. The report is expected to be completed in FY2017.

Authority: HRS Chapter 205, Land Use Commission. The Land Use Commission is an independent board of nine members who make quasi-judicial determinations about what lands in the State should be placed into one of the four State land use districts: urban, rural, agricultural, and conservation. The Land Use Commission is a separate State agency from OP. OP is required to appear in every case as a party on behalf of the State to make recommendations based on the criteria for boundary designations. OP also comments on petitions for special use permits and important agricultural lands designations.

Land Use Reviews

OP is a mandatory party in State land use district boundary amendment proceedings before the LUC. LUD prepares the State's position on land use proposals involving a change in district classification. This usually involves the question of whether hundreds of acres of land in the State Land Use Agricultural District should be moved into the State Land Use Urban District for development. According to the land use district data on the State's GIS, approximately 95% of all land in the State is within the Agricultural and Conservation Districts, while less than 5% of all land in the State is within the Urban District.

In this capacity, LUD consults with affected State agencies and the petitioner to ensure that a boundary amendment petition (1) is consistent with State regulatory requirements, and (2) provides mitigation that addresses reasonably foreseeable impacts of a proposed project on State resources. LUD coordinates with affected State agencies to ensure that the LUC's decision and orders include terms and conditions that protect the State's interest in the long-term, sustainable use of limited State resources, such as land, water, natural and cultural resources, and State infrastructure facilities.

In developing the State's position on proposed boundary amendments, LUD is guided by objectives, policies, and priority guidelines of the Hawai'i State Planning Act, HRS Chapter 226, and CZM objectives and policies in HRS Chapter 205A. These policies and priorities have a strong sustainability theme:

- Directing growth to urban areas or areas planned for growth where there are adequate public facilities or where they can be provided with reasonable public expenditures;
- Directing growth away from resource lands that perform other important functions, such as agricultural lands, watersheds, or coastal resources, and away from areas vulnerable to hazards, such as tsunamis, flooding, rockslides, sea level rise, or storm surges;
- Reducing resource consumption and environmental impacts of proposed development; and
- Promoting the provision of affordable housing and livable communities supported by multiple modes of transportation.

In support of the State's climate change and Hawai'i Clean Energy Initiatives, LUD has increased its efforts to advance the incorporation of sustainable design and building practices and best practices in petitioners' project proposals to ensure that future development minimizes its demand on natural resources, enhances environmental quality and sustainability, and supports active and healthy lifestyles.

To meet these goals and objectives, OP actively reaches out to potential petitioners and encourages early consultation with OP and affected State agencies.

State Transit-Oriented Development (TOD)

OP through its LUD was actively involved in coordinating and staffing monthly State TOD Task Force meetings convened by Senator Chun Oakland, helping coordinate agenda, meetings and work with agencies. Meetings were well attended with State agencies, City and County of Honolulu TOD planners, and private sector attendees. A status report (Report) on the State Transit-Oriented Development Task Force was prepared and submitted to the Legislature in December 2015. The Report identifies and prioritizes potential State TOD projects by various State agencies with land holdings and jurisdiction along the Honolulu Rail Transit corridor. Monthly meetings of the TOD Task Force continued during the fiscal year, and concluded in May 2016 upon the Legislature's passage of SB 3077 establishing the interagency council for TOD.

On June 29, 2016, Governor David Ige signed into law Act 130, SLH 2016 which designates the OP as the lead State agency to coordinate and advance smart growth and TOD planning in the State as follows:

- Identify TOD opportunities shared between state and county agencies, including initiatives such as the Healthy Hawai'i Initiative and the Clean Energy Initiative;
- Clarify state goals for TOD and smart growth that support the principles of the Hawai'i State Planning Act;
- Target TOD areas for significant increase in affordable housing and rental units;
- Conduct outreach and education to State agencies and publicize smart growth and TOD efforts;
- Review state land use decision-making processes to identify ways to make TOD a higher priority and with more proactive leadership; and
- Approve all State agencies' development plans (conceptual land use plans identifying the location and planned uses) for parcels along the rail transit corridor.

Act 130, SLH 2016 also established the Hawai‘i Interagency Council for Transit-Oriented Development (TOD Council). The purpose of the TOD Council is to coordinate and facilitate State agency TOD planning, and to facilitate consultation and collaboration between the State and the counties on smart growth and TOD initiatives. With representation from State and county governments and the community, the TOD Council also serves as the State’s forum for TOD planning and policy development. The Council is co-chaired by the directors of the OP and the Hawai‘i Housing and Finance Development Corporation (HHFDC). The TOD Council’s primary responsibilities are to:

- Develop and implement a State strategic plan for TOD, including mixed-use and affordable and rental housing projects;
- Facilitate funding for TOD programs and projects;
- Monitor TOD implementation and recommend needed policy and statutory changes; and
- Review all Capital Improvement Project requests to the Legislature for TOD projects on State lands.

V. LEGISLATIVE PROPOSALS

For the upcoming 2017 legislative session, OP will be submitting the following legislation:

- Relating to Land Use – Purpose of the legislation is to provide that agricultural tourism activities, including overnight accommodations for bona fide farming operation without requiring adoption of a county ordinance. This bill would clearly define bona fide farming operations to better ensure that agricultural tourism activities are properly constrained and abuse is reduced.

VI. ACRONYMS

AGOL	ArcGIS Online	HHFDC	Hawai‘i Housing and Finance Development Corporation
CDD	Community Development District	HICDC	Hawai‘i Island Community Development Corporation
CEDS	Comprehensive Economic Development Strategy	HI-EMA	Hawaii Emergency Management Agency
CELCP	Coastal and Estuarine Land Conservation Program	HIGICC	Hawai‘i Geographic Information Coordinating Council
CNPCP	Coastal Nonpoint Pollution Control Program	HRS	Hawai‘i Revised Statutes
CRest	Coastal Resilience Networks	ICAC	Interagency Climate Adaptation Committee
CSC	Coastal Services Center	LUC	Land Use Commission
CZARA	Coastal Zone Act Reauthorization Amendments	LUD	Land Use Division
CZM	Coastal Zone Management	MACZAC	Marine and Coastal Zone Advocacy Council
CZMA	Coastal Zone Management Act	NDERS	Natural Disaster Economic Recovery Strategy
DBEDT	Department of Business, Economic Development and Tourism	NEPA	National Environmental Policy Act
DHHL	Department of Hawaiian Home Lands	NERR	National Estuarine Research Reserve
DLNR	Department of Land and Natural Resources	NERRS	National Estuarine Research Reserve System
DOH	Department of Health	NGO	Non-governmental Organizations
EDA	Economic Development Administration	NOAA	National Oceanic and Atmospheric Administration
EIS	Environmental Impact Statement	OCM	Office for Coastal Management
ELA	Enterprise License Agreement	OP	Office of Planning
EPA	U.S. Environmental Protection Agency	ORMP	Ocean Resources Management Plan
ETS	Office of Enterprise Technology Services	PDC	Pacific Disaster Center
GIS	Geographic Information System	SLH	Session Laws of Hawai‘i
HAR	Hawai‘i Administrative Rules	SMA	Special Management Area
HBCRLF	Hawai‘i Brownfields Cleanup Revolving Loan Fund	SPB	Special Plans Branch
HCDA	Hawai‘i Community Development Authority	SSV	Shoreline Setback Variances
HEER	Hazard Evaluation and Emergency Response	TOD	Transit-Oriented Development