



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
OFFICE OF THE DEPUTY SECRETARY
WASHINGTON, DC 20410-0050

Special Attention of:

HUD Region IX Staff

NOTICE: SD-2017-01

Issued: January 18, 2017

This notice remains effective until amended, superseded or rescinded

SUBJECT: HUD investments in Hawaii's former Waikoloa Maneuver Area

This notice is intended to outline and clarify the U.S. Department of Housing and Urban Development's (HUD) policies for the Department's federally supported properties on the Waikoloa Maneuver Area Formerly Used Defense Site on the Island of Hawaii.

BACKGROUND:

The Waikoloa Maneuver Area (WMA) Formerly Used Defense Site (FUDS) is located on 100,000 acres of land on the northwest side of the Island of Hawaii. The U.S. Navy acquired the area in 1943 to use as a military training camp and artillery range during World War II, resulting in unexploded ordnance (UXO) and other potentially dangerous materials remaining after training ceased at the end of the war. Two surface clean-up activities were done in 1946 and 1954 to remove these materials. Munitions and explosives continue to be discovered within this area and to date over 100 different types have been found including mortars, projectiles, hand grenades, rockets, land mines and other ordnance.

HUD's regulations under the National Environmental Policy Act (NEPA) require "...*all property proposed for use in HUD programs be free of hazardous materials, contamination, toxic chemicals and gasses, and radioactive substances, where a hazard could affect the health and safety of occupants or conflict with the intended utilization of the property.*" 24 CFR 50.3(i) and 24 CFR 58.5(i)(2). The unmitigated presence of unexploded ordnance presents an unacceptable risk to the health and safety of occupants and conflicts with residential property use. HUD relies on a State or Federal environmental remediation regulatory oversight agency site closure letter, typically called a No Further Action letter, for documenting NEPA compliance. Site closure letters are written statements that no further remedial action is required and the property is safe for its intended use.

As the U.S. Army Corps of Engineers (USACE) continues clean-up and monitoring operations within the WMA, HUD established a cross-program Working Group to outline mitigation policies for HUD investments in the area. HUD's goal was to find a balanced approach to the multiple challenges faced within the WMA – protecting life and property; complying with existing environmental and program regulations; reducing the risks to HUD-supported properties; and preserving HUD assistance in the area in a safe and responsible manner – until a site closure letter is received.

There are several hundred HUD-assisted housing units located across over 100 sites on the WMA. USACE has investigated a significant number of these locations and plans further surface and subsurface removals on a subset of those. There are other properties that USACE has not evaluated.

HUD's Working Group considered many factors including how certain types of assistance in the area could further expose current and future HUD-supported residents to potential hazards. The Working Group gathered and analyzed information from multiple Federal sources including the USACE, the Department of Interior (DOI), the Department of Veterans Affairs (VA), Fannie Mae, and Freddie Mac. In addition, HUD considered information provided by the State of Hawaii's Office of the Governor, Office of the Attorney General, Department of Health (HDOH), Department of Hawaiian Home Lands (DHHL), and the County of Hawaii.

HUD DETERMINATIONS:

The following minimum requirements are established for existing and proposed HUD-assisted properties located within the WMA that are subject to environmental review requirements. These minimum mitigation requirements are in effect until a site closure letter or comparable document is issued by the HDOH declaring the area, or specific properties, safe for residential and/or commercial use. HUD program offices that established additional program-specific requirements will disseminate that information in a WMA FUDS Program Notice.

- **New ground-disturbing** activities will not be allowed until a site closure letter is issued, except in an imminent emergency situation with certain conditions. See HUD program-specific WMA FUDS Program Notice(s) for more information.
- **New non-ground disturbing activities** will be allowed with certain conditions in project sites where the USACE has removed UXO from the surface and/or the land surface is covered with permanent impervious surfaces such as buildings and roads. Conditions include:
 - Notice to lessee, purchaser or recipient that property is in the WMA FUDS prior to lease signing, closing on purchase, or commencing rehabilitation;
 - New title transfers must include deed notice or property location in WMA FUDS and deed restrictions on disturbing covered surfaces; and
 - Ensure written public education materials are provided and community-wide public education campaigns are utilized.

New non-ground disturbing activities will not be allowed in project sites where USACE has not removed UXO from the surface or the land surface is not covered, until a site closure letter is issued.

- HUD will continue to support **existing HUD-assisted properties located** within the WMA FUDS as long as notice and public education materials are provided to land owners and residents. All proposed new activities on these sites must comply with the above requirements.

For additional information, please contact Ryan Okahara in the HUD Honolulu Field Office at 808-457-4662. For specific guidance on HUD programs covered by environmental review requirements, please contact your Program Environmental Clearance Officer or HUD Honolulu Field Office program area point of contact.