



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-1000

ASSISTANT SECRETARY FOR CONGRESSIONAL
AND INTERGOVERNMENTAL RELATIONS

AUG 19 2005

Ms. Denise Nakanishi
Prudential Orchid Isle Properties
391 Kilauea Avenue
Hilo, Hawaii 96720

Dear Ms. Nakanishi:

Representative Ed Case has asked the Department of Housing and Urban Development to reply to your letter of June 30, 2005, regarding your concerns related to the designation of the HUD lava flow zones Nonparticipation Area for the Island of Hawaii (NPA), the vagueness of the NPA boundaries, and your belief that lenders or insurers are not willing to participate in Zones 1 and 2 due to the HUD NPA policy. Furthermore, the Department received your letter of July 21, 2005, regarding the same subject

In 1991 HUD designated all U.S. Geological Survey (USGS) mapped volcanically caused Lava Flow Hazard Zones 1 and 2 on the Island of Hawaii as an NPA for HUD assistance. The meaning and reasoning for this policy is as follows. Lava flows result in a risk to life and to property including the supporting infrastructure (such as roads) for such property. Based on extensive research, the USGS has divided the island into nine lava flow hazard zones, with Zone 1 being the most hazardous and Zone 9, the least. The USGS website indicates that more than 25% of Zone 1, and 15 to 25% of Zone 2 have been covered by lava flows since 1800. However, five percent or less of the remaining zones has been covered by lava flows since 1800.

HUD still believes that the risks are too great to participate in Zones 1 and 2. HUD has had recent communications with Dr. James Kauahikaua, Chief Scientist, with the USGS Hawaiian Volcano Observatory (HVO) (E-Mail: jimk@usgs.gov; phone number: (1) 808-967-7328), who has indicated that you should contact him if you have information that a designation is inappropriate. You should also contact him if you are unsure as to whether a parcel is indeed within either Zones 1 or 2.

Regarding your concern related to nonparticipation by other entities in Zones 1 and 2, HUD has no control over the risk analyses that goes into their decision-making processes.

Thank you for your interest in the Departments programs.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven B. Nesmith". The signature is written in a cursive style with a prominent horizontal line across the middle.

Steven B. Nesmith
Assistant Secretary for Congressional
and Intergovernmental Relations