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LAND USE COMMISSION
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STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS 2010 NOV -2 A 8:44

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October 31, 2018

To: Mr. Daniel E. Orodener, Executive Officer
Land Use Commission

From: Jobie M. K. Masagatani, Chairman *J. Masagatani*
Hawaiian Homes Commission

Subject: Department of Hawaiian Home Lands
2014 Annual Report for East Kapolei
LUC Docket No. A99-728, Kapolei, Oahu

The following is the annual report for the calendar year ending December 31, 2014 on the Department of Hawaiian Home Lands (DHHL) activities regarding the conditions imposed by the Land Use Commission (LUC) for East Kapolei developments. The Department of Land and Natural Resources (DLNR) conveyed 159.365 acres of the subject lands, Tax Map Key (1) 9-1-016:por. 108 to DHHL in September 2005 ("East Kapolei I" and "East Kapolei Commercial"). The Board of Land and Natural Resources also approved the conveyance of portions of Tax Map Key (1) 9-1-017:071 and 088 ("East Kapolei II"). These parcels are collectively referred to as the "Property".

The Land Use Commission created a new docket number, DOCKET NO. A99-728(c), by that Order Amending Findings of Fact, Conclusions of Law and Decision and Order, entered January 14, 2013, (January 14, 2013 Decision and Order), that applies solely to the 67.184 acres commercial parcel ("Petition Area C"). Petition Area C was released from the conditions set forth in the Findings of Fact, Conclusions of Law, and Decision and Order dated September 8, 1999 in Docket No. A99-728. Petition Area C will retain its classification to the State Land Use Urban District and will file its own annual report.

The remaining approximately 715 acres of lands within the Petition Area in Docket No. A99-728 and not part of Docket Nos. A99-728(a) or A99-728(b), will continue to be subject to the conditions in the 1999 Decision and Order, as amended.

Project Status.

DHHL has received Subdivision Approval for East Kapolei I creating 403 single-family residential lots, the DHHL office parcel, two commercial/community purpose lots, and a five-acre park. Construction

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of the on-site roads and utilities has been completed. As of December 31, 2013, 341 of 403 homes have been constructed and occupied. The Kanehili Residential Subdivision is substantially completed.

The East Kapolei II master-planned community consists of approximately 1,000 single family lots, 1,000 multi-family units, two school parcels, and the Salvation Army Kroc Community Center. Five parcels will not be conveyed to DHHL, and subdivision of those lots has been approved by the City and County and recorded at Land Court. Those parcels have been or will be conveyed by DLNR to the Salvation Army, Department of Education, and Hawaii Housing Finance and Development Corporation (Attachment 2). Within the DHHL lands, a lot has been designated for the Special Olympics facility. Construction of off-site drainage and sewer systems was completed in November 2011. Construction of the East-West Road was completed in August 2012. Mass grading of 60 acres for the first 289 residential lots was completed in September 2011. Construction of the Road E Extension started in November 2012, and was completed in November 2013. Subdivision and construction plans for the first 160 residential lots (Increment II-B) have been approved by the City and an Invitation for Bids will be issued in early 2014.

Condition 1: Petitioner, its successors, and assigns shall provide affordable housing opportunities for residents of the State of Hawaii in accordance with applicable affordable housing requirements of the City and County of Honolulu. The location and distribution of the affordable housing or other provisions for affordable housing shall be under such terms as may be mutually agreeable between Petitioner, its successors, and assigns, and the City and County of Honolulu.

Status: East Kapolei will be developed for the purpose of providing affordable housing in accordance with the requirements of the Hawaiian Homes Commission Act (HHCA), as amended.

Condition 2: Petitioner, its successors, and assigns shall coordinate and/or participate in the funding and construction of adequate water source, storage, and transmission facilities and improvements to accommodate the proposed project. Water transmission facilities and improvements shall be coordinated and approved by appropriate State and County agencies.

Status: DHHL coordinated the development of a 4.0 million gallon reservoir and water transmission main with the City and County Board of Water Supply (BWS) and these two projects were completed in November 2010 and January 2010 respectively. The 4.0 million gallon reservoir was accepted by BWS in February 2011. The system provides water services to the

DHHL projects as well as portions of the University of Hawaii West Oahu Campus (UHWOC).

Condition 3: Petitioner shall contribute to the development, funding, and/or construction of public schools as determined by, and to the satisfaction of, the State Department of Education (DOE). Any construction by the Petitioner for the development, funding, and/or construction of University of Hawaii facilities shall be made in accordance with Section 6 of Act 277, 1996 Session Laws of Hawaii, and the University of Hawaii - West Oahu special fund set forth in Section 304-1.5, HRS, as such laws may be amended. The Petitioner and the DOE shall enter into written agreements on this matter prior to Petitioner obtaining approval for City and County of Honolulu zoning. In the event the University of Hawaii is a party to any agreement between Petitioner and the DOE or is a party to any agreement between Petitioner and the DOE or is a party to any separate agreement with the Petitioner, such agreement particular to the University of Hawaii shall be consistent with the requirements of Session 6 of Act 277, 1996 Session Laws of Hawaii, and Section 304-1.5, HRS, as such laws may be amended.

Status: Two parcels in East Kapolei II (approximately 12 acres and 18 acres) have been reserved for an elementary school and middle school, respectively. DHHL and DOE have executed a letter agreement that the DHHL Kapolei projects are not subject to the school impact fees.

Condition 4: Petitioner, its successors, and assigns shall coordinate and/or fund and construct adequate wastewater transmission and disposal facilities, as determined by the City and County of Honolulu and State Department of Health, to include the planning design, construction, and scheduling of the proposed Kapolei Interceptor Sewer.

Status: DHHL, UHWOC, and D.R. Horton have executed an Assessment Agreement to fund and construct a wastewater transmission trunk line to connect to the Kapolei Interceptor Sewer. The wastewater trunk line from the Kapolei Interceptor Sewer to the Kapolei Parkway was completed in 2007 and the trunk line within the North-South Road was completed in January 2010. The system provides wastewater services to the DHHL projects as well as portions of UHWOC.

Condition 5: Petitioner, its successors, and assigns shall grant to the State of Hawaii an avigation (right of flight) and noise easement in a form prescribed by the State Department of Transportation on any portion of the Property subject to noise level exceeding 55 Ldn.

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Status: By letter dated June 23, 2005, the DOT, Airports Division determined that: "The project is outside the 55 DNL noise contour line (aircraft noise) of Kalaeloa Airport."

Condition 6: Petitioner, its successors, and assigns shall not construct residential components within areas exposed to noise levels of 60 Ldn or greater.

Status: DHHL will not construct residential components within areas exposed to noise levels of 60 Ldn (day-night average sound level) or greater.

Condition 7: Petitioner, its successors, and assigns shall be responsible for implementing sound attenuation measures to bring noise levels from sporting events, vehicular and air traffic in and within the Property down to levels acceptable to the State Department of Health.

Status: DHHL will plan for sound attenuation measures to bring noise level from sporting events, vehicular and air traffic in and within the Property down to levels acceptable to the State Department of Health.

Condition 8: Petitioner shall attenuate the noise sensitive areas within commercial components of the Property that are exposed to exterior noise levels of 60 Ldn by a minimum of 25 decibels.

Status: DHHL will plan for noise attenuation, if applicable, in commercial areas of the Property that are exposed to exterior noise levels of 60 Ldn (day-night average sound level) by a minimum of 25 decibels.

Condition 9: Petitioner, its successors, and assigns shall participate in the pro-rata funding and construction of local and regional transportation improvements and programs necessitated by the proposed development in designs and schedules accepted and determined by the State Department of Transportation and the City and County of Honolulu. Petitioner and/or the State Department of Transportation shall submit the construction plans as they relate to drainage issues for the North-South Road to the City for review and approval.

Status: DHHL will comply with Chapter 33A, Revised Ordinances of the City and County of Honolulu, "Impact Fees for Traffic and Roadway Improvements in Ewa" which requires all new developments to pay an impact fee or construct a portion of one of the Ewa highway master plan Year 2010 highway improvements. Specifically, DHHL completed the construction