

August 31, 2021

Mr. Dean Uchida, Director
Department of Planning and Permitting
City and County of Honolulu
650 South King Street, 7th Floor
Honolulu, Hawaii 96813
Attn.: Urban Design Branch

2021 AUG 31 PM 2:04
DEPT. OF PLANNING
AND PERMITTING
CITY & COUNTY OF HONOLULU

Subject: Applicability of Chapter 343 Hawaii Revised Statutes
Project: Royal Kunia Phase II, Waikele and Hoaeae, Oahu, Hawaii
Landowner: Haseko Royal Kunia, LLC
Project Area (TMKs): 9-4-002:070 (13.304 acres)
9-4-002:071 (161.36 acres)
9-4-002:078 (36.66 acres)

Dear Mr. Uchida:

This office represents Haseko Royal Kunia, LLC ("Haseko"), owner of the above-referenced lots. Following several briefings with the Department of Planning and Permitting of the City and County of Honolulu ("DPP") and in anticipation of filing for a cluster housing permit¹ in the near future, we are submitting this request for a determination that based on the prior accepted environmental impact analyses performed, additional environmental review under Chapter 343, Hawaii Revised Statutes ("HRS") is not required in accordance with Hawaii Administrative Rules ("HAR") Section 11-200.1-11. As will be discussed below, Haseko's future development of the above-referenced lots fully satisfies the criteria set forth in HAR Section 11-200.1-11.

A. Background.

Haseko recently purchased the above referenced lots, a portion of the project commonly referred to as Royal Kunia Phase II ("RKII"), upon which Haseko will be developing RKII's housing, public parks, roadway improvements and other backbone infrastructure. The portion of RKII owned by Haseko is the "Project" for the purposes of this letter.

The Project, as a component of RKII, was contemplated and analyzed in the Final Environmental Impact Statement for Royal Kunia Phase II accepted by the Department of General Planning on December 28, 1989 (the "1989 FEIS") and the Final Environmental Assessment for Royal Kunia Phase II, Increment 3 accepted by the Planning Department on May 28, 1996 (the "1996 FEA").

¹ LUO Section 21-2.110-1.

RKII has had a long and difficult history. Its original developer went bankrupt and, just as it was emerging from bankruptcy, the project was buffeted by the 2007/2008 financial crisis. This caused RKII to proceed in fits and starts with different developers and, ultimately, to stall for decades leaving RKII vacant and undeveloped.

Despite this history, in 2008, the City Council took the unusual step of overlooking RKII's technical non-compliance with its two underlying Unilateral Agreements ("UAs") attached to Ordinance 95-08 and Ordinance 97-12, respectively, because the City Council decided that the housing and regional infrastructure benefits of the project outweighed strict UA compliance.² Similarly, in approving an update to the Central Oahu Sustainable Communities Plan earlier this year, the City Council confirmed that RKII, especially its residential and regional infrastructure components, remain a Central Oahu development priority.³

As originally envisioned, RKII comprised approximately 655⁴ acres with plans for single-family, two-family, and multi-family residences, an agricultural park, industrial area, public park, and a public-school site. Below is a list of all parcels within the RKII development boundary along with the current landowners. All parcels within RKII have been mostly vacant and minimally used since the 1996 FEA and are currently overgrown and undeveloped. As shown below, Haseko owns all RKII's residential (A-1 and R-5) zoned lands and all of the P-2 zoned land intended as neighborhood parks and recreation space.

TMK	Zoning	Area ⁵ (acres)	Current Owner
9-4-002:001	B-1/I-1	123.712	HRT Realty LLC
9-4-002:052	AG-1	161.023	Robinson Kunia Land LLC
9-4-002:070	A-1	13.304	Haseko
9-4-002:071	P-2/R-5/A-1	161.36	Haseko
9-4-002:078	A-1	36.66	Haseko
9-4-002:079	P-2	12.00	RKES LLC
9-4-002:080	AG-1	150.00	State of Hawaii DLNR

Figure 1 below illustrates Haseko's Conceptual Site Plan (colored areas) in relation to RKII's original boundary (outlined in green).

As explained more fully below, Haseko's portion of RKII, the "Project" that is the subject of this letter, has the same uses but is smaller and less intense than the uses analyzed for the

² City Council Resolution 08-198, CD1 adopted September 24, 2008.

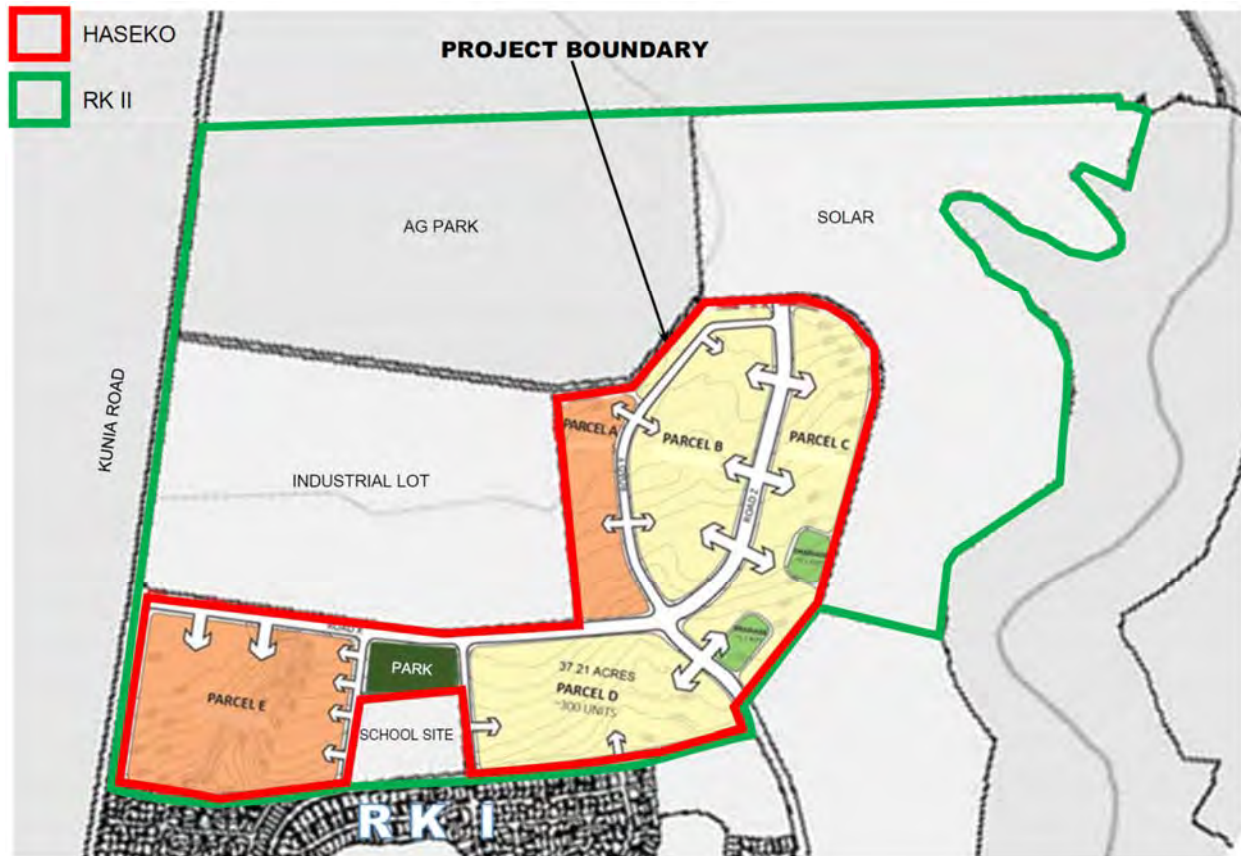
³ Central Oahu Sustainable Communities Plan, approved March 30, 2021 (Ordinance 21-6), Table 2.1 and Section 2.2.10.

⁴ "Total Phase II Development Area" reflected in Land Use Commission's Amended Findings of Fact, Conclusions of Law, and Decision and Order filed on October 1, 1996 in Docket No. A92-683.

⁵ The acreage reflected in this table is based upon the acreage in Haseko's title policies (for the Project), and the information available from the City and County of Honolulu Department of Budget and Fiscal Services Real Property Assessment Division Property Records Search (for the other parcels in RKII).

same location in the 1989 FEIS and 1996 FEA. The Project, therefore, will have direct, indirect and cumulative environmental effects similar to those analyzed in the 1989 FEIS and 1996 FEA and a supplemental environmental review should not be required.

Figure 1
Haseko's Conceptual Site Plan vs. RKII Boundary from 1996 FEA



B. Haseko's Proposed Project

The Project consists of approximately 211 of the 655 acres previously analyzed in the 1989 FEIS⁶ and 1996 FEA, and will contain workforce and affordable housing together with market-rate housing, and parks and open space. Haseko's first development within the Project will be a cluster housing project located on Parcel D (see Figure 1) and will consist of approximately 300 residential units. The underlying zoning has not changed, and Haseko does not anticipate making any zone changes. The Project's uses are permitted by the underlying zoning and represent a less intense development than the prior RKII proposals.

As reflected in Haseko's Conceptual Site Plan (Figure 1), the Project will include 925 single family units (representing detached and attached single-family product types), and 925 multi-family units for a total 1,850 dwelling units. While the number of multi-family units has

⁶ See, Exhibit 2 Land Use Map of Royal Kunia Phase II on page 8 of 1989 FEIS.

been increased to provide a greater number of workforce and affordable units than previously proposed, the overall number of dwelling units has been reduced.

The Project will also include most of RKII's backbone infrastructure, including water, wastewater, drainage, electrical, communication and roadway improvements (including signage and traffic control improvements to Kunia Road).

The Project is of a smaller size and scope than the residential development planned for the same location and analyzed in the 1989 FEIS and 1996 FEA. Haseko proposes to build fewer dwelling units, from 2,000 to 1,850, on less residentially zoned land, from 367 acres to 206 acres, than the project evaluated in the 1996 FEA.

C. Use of Prior Accepted Environmental Impact Analysis

HAR Section 11-200.1-11 states that when considering whether an accepted EIS satisfies Chapter 343, HRS, an agency may determine that additional environmental review is not required if the following criteria are satisfied:

- “(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.”

As discussed below, the Project satisfies all three criteria.

1. The Project is a Component of or Substantially Similar to an Action that Received an Accepted EIS.

The Project includes residential and public facilities uses that were analyzed in the 1996 FEA. The 1996 FEA evaluated up to 2,000 units of housing, a public park, roadway improvements and other backbone infrastructure. Haseko's Project is in the same location and includes a total of 1,850 dwelling units, or about 8% less. Additionally, a similar amount of total park space, infrastructure and other improvements are being proposed. Therefore, the Project is a component of and is substantially similar to the uses evaluated in 1996 FEA. (See Figure 1 above).

2. The Project Will Have Similar Environmental Effects.

As described above, Haseko's Project has the same uses but is smaller and less intense than the uses analyzed for the same location in the 1989 FEIS and 1996 FEA. Therefore and as described below, the Project shall have direct, indirect, and cumulative effects similar to, or less than, those analyzed in the 1989 FEIS and the 1996 FEA.

a) Water Supply. The Project's water demand is projected to be less than the demand analyzed in the 1996 FEA. Below is Table 4-4 from R.M. Towill Corporation's Royal Kunia Phase II Water Master Plan Update dated June 16, 2021 (the "Water Master Plan") that was submitted to the Board of Water Supply, City and County of Honolulu ("BWS") in June 2021. The table compares the initial water demand projections that were analyzed in the 1996 FEA against the updated 2021 Water Master Plan which calculated the water demand based on BWS' system standards applied to the projected development of the various areas of RKII. Although the demand projections remain subject to BWS and DPP approval of the Water Master Plan, the overall water demand is projected to be less than the amounts analyzed in the 1996 FEA (page 4-7):

Table 4-4: Potable Water Master Plan Comparison		
	Park Engineering Water Master Plan dated August 1996	R.M. Towill Corp. Water Master Plan Update dated June 2021
Average Daily Demand (gpd)	1,573,000	1,467,660
Maximum Daily Demand (gpd)	2,359,500	2,201,490
Peak Hour Demand (gpd)	4,719,000	4,402,980

b) Wastewater Treatment. The Project's wastewater demand will be less than the demand analyzed in the 1996 FEA. Below is Table 4-2 from R.M. Towill Corporation's Royal Kunia Phase II Sewer Master Plan Update dated June 15, 2021 (the "Sewer Master Plan") and submitted to Department of Environmental Services of the City and County of Honolulu ("ENV") in June 2021. The table compares the initial demand projections that were analyzed in the 1996 FEA against the updated 2021 Sewer Master Plan which calculated the wastewater demand estimates based on the ENV wastewater system design standards (July 2017) against the projected development of the various areas of RKII. Although the demand estimates remain subject to ENV and DPP approval of the Sewer Master Plan, the Project's wastewater flow is projected to be less than the amounts analyzed in the 1996 FEA (page 4-3):

Table 4-2: Sewer Master Plan Comparison		
Existing Sewer Manhole	Park Engineering Sewer Master Plan dated May 1996	R.M. Towill Corp. Sewer Master Plan dated June 2021
SMH F1-4	4.16 MGD	3.81 MGD
SMH F2-1	2.71 MGD	2.71 MGD

c) Drainage. The Project's drainage requirements and infrastructure are largely the same as analyzed in the 1996 FEA. The Royal Kunia Phase II Drainage Master Plan dated June 11, 2021 prepared by R.M. Towill (the "Drainage Master Plan") was initially submitted to the Civil Engineering Branch of DPP ("CEB") in June 2021. An updated Drainage

Master Plan was subsequently submitted to CEB in July 2021 and approved by DPP on August 11, 2021. Appendix H of the Drainage Master Plan includes a narrative comparison to the drainage master plan analyzed under the 1996 FEA reflecting that the anticipated indirect and cumulative effects are similar to those analyzed under the 1996 FEA. The Drainage Master Plan basically follows the previous 1996 drainage master plan and its connections to the Royal Kunia I existing drainage infrastructure which was designed to accommodate the proposed RKII runoff.⁷ The table below summarizes the information in Appendix H:

DRAINAGE AREA ⁸	TMKS	IMPACT	MITIGATION
1	9-4-002:070, 078 & 071 (por.) ⁹	<u>Consistent with 1996 Drainage Master Plan:</u> Plate 6 flows conveyed to existing gulch and existing 12' x 10' box culvert at Kuhao Street	Onsite storm water quality facilities will be incorporated in each development parcel.
2	9-4-002:071 (por.)	<u>Consistent with 1996 Drainage Master Plan:</u> flows conveyed to existing 54" drain stubout at Anoiki Street, through Meadows Property, to existing 14' x 8' box culvert at Anonui Street.	Onsite storm water quality facilities will be incorporated in development parcel.
3A & 3B ¹⁰	9-4-002:071 (por.)	<u>Consistent with 1996 Drainage Master Plan:</u> flows conveyed to existing 8' x 8' box drain stubout at Anoiki Street through Meadows Property, to existing 96" culvert at Anonui Street.	Onsite storm water quality facilities will be incorporated in development parcel.
4A ¹¹	9-4-002:071 (por.)	<u>Consistent with 1996 Drainage Master Plan:</u> flows conveyed to existing 48" stubout at Anonui Street and existing drain system at Royal Kunia Country Club (golf course).	Onsite storm water quality facilities will be incorporated in development parcel.
5B ¹²	9-4-002:071 (por.)	<u>Consistent with 1996 Drainage Master Plan:</u> flows conveyed to existing 60" drain stubout and existing drain system in Royal Kunia Country Club (golf course). An offsite 60" drain pipe is proposed from the drainage area to the 60" drain stubout.	Onsite storm water quality facilities will be incorporated in development parcel.

⁷ The DPP letter approving the updated Drainage Master Plan acknowledges that the Royal Kunia I drainage infrastructure is designed to accommodate the proposed RKII runoff and that any increases in runoff volume and peak flows resulting from the RKII development are limited to the 1996 drainage master plans.

⁸ Noted on 2021 Drainage Master Plan – Overall Drain Concept, 2/19/21.

⁹ Other TMKs in Area 1 include 9-4-003:001 (por.), 9-4-002:080, 001 & 079.

¹⁰ Portion of Area 2 and Area 3 in 1996 Master Plan.

¹¹ Portion of Area 3 in 1996 Master Plan.

¹² Portion of Area 3 in 1996 Master Plan.

d) Transportation Facilities. The Project's traffic impacts will be less than those analyzed in the 1996 FEA. Wilson Okamoto Corporation submitted a Traffic Impact Report to the Traffic Review Branch of DPP in August 2021 for review and approval. Due to the decrease in the planned number of dwelling units (from 2,000 to 1,850) and less overall development intensity within RKII than was originally anticipated, the Project will see a modest decrease to the number of trips generated as compared to the action analyzed under the 1996 FEA. While the distribution of units within the Project will change slightly, there would be no significant changes to the distribution of trips toward Kunia Road or Anonui Street. In addition, current screenline traffic data along Kunia Road indicates that traffic volumes in the vicinity of the Project are generally lower than the projections developed in previous traffic analyses resulting in reduced actual baseline traffic demands in the immediate region.

e) Recreational Facilities. The Project will provide the same amount of public park land and recreation spaces that was analyzed in the 1996 FEA. The 1996 FEA proposed a 10-acre public park. In 2007 the prior developer conveyed a 12-acre school site to RKES LLC that reduced the public park identified in the 1996 FEA to approximately 5.5 acres. Haseko will develop and dedicate that 5.5 acres plus another 4.5 acres at another location within the community. Haseko is in continuing discussions with the Department of Parks and Recreation of the City and County of Honolulu and the DPP regarding providing another public park site. Finally, a private linear park with exercise and activity nodes is planned as part of Haseko's first cluster housing project proposed for Parcel D.

f) Historic and Archaeological Resources. Although prior studies have found no historic properties within the Project area and concluded that any traditional Hawaiian sites would have been destroyed by a century of sugar cultivation on the Project, Haseko retained SWCA Environmental Consultants ("SWCA") to assist Haseko in their compliance with Hawaii's Historic Preservation Program, HRS Chapter 6E. SWCA's archival research and field inspection found archaeological features related to commercial sugar cultivation. SWCA, on behalf of Haseko, will work with the State Historic Preservation Division ("SHPD") to assess the integrity and significance of these sites and, if requested by SHPD, will conduct an archaeological inventory survey to further document these sites pursuant to HRS § 6E-42 and HAR Chapter 13-275. If significant historic properties are present in the Project area, SWCA will work with SHPD to devise mitigation commitments as needed. Further, if any undiscovered historic sites or human burials are encountered during development, Haseko will immediately stop work and contact SHPD for review and approval of proposed mitigation measures.

Additionally, Haseko's consultants have evaluated the Project's effects under environmental criteria that were not required by the Environmental Impact Statement Rules to be analyzed in the 1989 FEIS and 1996 FEA, as follows:

g) Cultural Impacts. The Project is not anticipated to have significant effects on cultural resources. Haseko has retained the services of SWCA to determine whether the Project has the potential to impact traditional cultural resources or whether the Project has any anticipated effects on contemporary cultural resources, practices, and beliefs in the community or the State. SWCA's archival research concluded that, as far as could be determined, the Project area did not contain any significant cultural sites or resources. Any remnants of traditional Hawaiian activity in the area would have been destroyed by the conversion of the

lands to sugar cultivation by the close of the 19th century. Other cultural resource reviews conducted in the vicinity of the Project have likewise found that it is highly unlikely that the analyzed projects¹³ will impact cultural resources. Sugar cultivation, which continued up until the 1990's, dramatically altered the natural environment of the Project area, which today is covered in introduced weeds and grasses. It is unlikely that any contemporary cultural practices, such as the gathering of medicinal plants, takes place within the Project area.

h) Sea Level Rise. The Project will not have significant effects related to sea level rise. Recognizing that climate change poses an urgent and long-term threat to Hawaii's economy, sustainability, security and way of life, in 2014 the State Legislature established an interagency climate change adaptation committee (now known as the Hawaii Climate Change Mitigation & Adaptation Commission) and authorized the Office of Planning to coordinate the development of a statewide climate adaptation plan to address, among other things, the identification of major areas of sea level rise impacts affecting the State through 2050.

The Sea Level Rise Vulnerability and Adaptation Report issued in 2017 (the "Report"), provides a state-wide assessment of Hawaii's vulnerability to sea level rise. The Hawaii Sea Level Rise Viewer¹⁴ indicates areas vulnerable to sea level rise based upon the methodology of sea level rise modeling used in the Report.

The Project is located approximately 400 feet above mean sea level and 2 miles inland from the nearest shoreline. The Project is located well beyond the 6-foot sea level rise line modeled by the NOAA Sea Level Rise 6 Foot Scenario (See, Attachment 1 from the State of Hawaii Sea Level Rise Viewer (Hawaii Climate Change Mitigation & Adaptation Commission, 2021)). Therefore, the Project will not be impacted by the projected sea level rise on Oahu.

i) Green House Gases. The Project is not anticipated to have significant adverse greenhouse gas effects. In their media release on February 15, 2021¹⁵, Hawaiian Electric announced that it had achieved a 34.5% renewable portfolio standard for Hawaii with a 30.5% renewable portfolio standard for Oahu. The achievement relates to the reduction of the average greenhouse gases generated by the average Hawaii home use of 525 kilowatt-hours per month.¹⁶ 4.5 metric tons of carbon dioxide equivalent units per home per year now amounts

¹³ See, (a) Final Environmental Assessment for Kunia Wells IV Exploratory Wells dated August 2019, prepared by Belt Collins Hawaii LLC for Board of Water Supply; and (b) Testimony of Dr. Robert Spear of Scientific Consultant Services, Inc. and Robinson Kunia Land LLC presented by Ho'ohana Solar 1, LLC in their Motion for an Order Amending the Amended Findings of Fact, Conclusions of Law, and Decision and Order Filed on October 1, 1996 before the Land Use Commission in Docket No. A92-683 (FOF 176-178, in Order Granting Successor Petitioner (to Parcel 52) Ho'ohana Solar 1, LLC's Motion for Order Amending the Amended Findings of Fact, Conclusions of Law, and Decision and Order filed on October 1, 1996, filed on January 28, 2015).

¹⁴ Found at <http://hawaiiisealevelriseviewer.org/>.

¹⁵ Found at <https://www.hawaiianelectric.com/hawaiian-electric-hits-nearly-35-percent-renewable-energy-exceeding-state-mandate>.

¹⁶ "Hawaii is most expensive state in American for energy bills" (Star Advertiser, April 21, 2021) found at <https://www.staradvertiser.com/2021/04/21/breaking-news/hawaii-is-most-expensive-state-in-america-for-energy-bills/>.

to approximately 2.9 metric tons of carbon dioxide equivalent units per home per year.¹⁷ Further reduction will be achieved by the installation of solar water heater systems¹⁸ on most of the homes to be developed in the Project and individual photovoltaic electric systems expected to be installed by future homebuyers of the Project. Additionally, the proliferation of renewable energy projects on Oahu and other areas within the State are planned to help attain the State's goal of having 100 percent of electricity sales from renewable energy resources by 2045.¹⁹

As described above, the Project has the same uses but is smaller and less intense than the uses analyzed for the same location in the 1989 FEIS and 1996 FEA. Therefore, the Project's environmental effects, including effects under the three newly designated environmental criteria, are anticipated to have direct, indirect and cumulative effects similar to those analyzed in the 1989 FEIS and 1996 FEA. Further, Haseko will implement the mitigative measures discussed in the 1989 FEIS and the 1996 FEA, as well as those articulated in the studies discussed in this letter, in the Project's design and development. These mitigative measures will be further refined in compliance with applicable laws, rules and regulations, and in consultation with the pertinent governmental agencies, to ensure that the anticipated effects comply with current regulatory standards.

3. The Project is Within the Range of Alternatives.

As mentioned throughout, the Project is a component of RKII and has all the residential zoned land identified in the 1996 FEA. Section 6.0 of the 1996 FEA identified project alternatives that included up to 2,000 units of housing and a public park, roadway improvements and other backbone infrastructure. Haseko's Project has those same uses but is smaller and less intense than the maximum range of uses analyzed for the same location in the 1996 FEA. The Project is, therefore, within the range of alternatives analyzed in the 1996 FEA.

D. Conclusion

RKII is a long planned and long overdue project. As the City Council recognized earlier this year in adopting the Central Oahu Sustainable Communities Plan, the completion of RKII continues to be a Central Oahu development priority. Haseko is committed to meeting that priority by finally completing the Project and providing its much-needed housing and infrastructure improvements.

As demonstrated above, the Project has the same uses and represents less development than the uses analyzed in the 1996 FEA. Therefore (a) the Project is a component of or substantially similar to the uses evaluated in the 1996 FEA; (b) it will have direct, indirect, and cumulative effects similar to, or less than, those analyzed in the 1989 FEIS and the 1996 FEA; and (c) it is within the range of alternatives analyzed in the 1996 FEA.

¹⁷ <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>.

¹⁸ HRS §196-6.5 provides that on or after January 1, 2010, no building permit shall be issued for a new single-family dwelling that does not include a solar water heater system without the approval of a variance by the chief energy officer of the Hawaii state energy office.

¹⁹ Parcel 52, which is sometimes referred to as RKII, Increment 3, is leased by landowner Robinson Kunia Land LLC to Ho'ohana Solar 1, LLC under a long-term ground lease for development of a utility scale solar farm. See Figure 1.

Therefore, Haseko respectfully requests your determination that the 1989 FEIS and 1996 FEA satisfy Chapter 343, HRS and that additional environmental review is not required in accordance with HAR Section 11-200.1-11.

Thank you for your consideration of this request. Please feel free to contact me at (808) 220-8838 should you have any questions.

Sincerely,



Angela Fong

cc: Haseko Royal Kunia, LLC – Mr. Raymond Kanna and Ms. Sharene Tam
R.M. Towill Corporation – Mr. Greg Hiyakumoto and Mr. David Tanoue
Wilson Okamoto Corporation – Mr. Pete Pascua
SWCA Environmental Consultants – Mr. Rowland Reeve

Attachment:

- 1 – State of Hawaii Sea Level Rise Viewer Map
- 2 – CD containing digital copies of:
 - (a) Final Environmental Impact Statement Royal Kunia Phase II, July 1989 (“1989 FEIS”);
 - (b) Development Plan Land Use Amendment Application and Final Environmental Assessment for Royal Kunia, Phase II Increment 3, May 1996 (“1996 FEA”);
 - (c) Royal Kunia Phase II Water Master Plan Update, June 2021 (draft);
 - (d) Royal Kunia Phase II Sewer Master Plan Update, June 2021 (draft);
 - (e) Royal Kunia Phase II Drainage Master Plan, July 2021 (approved); and
 - (f) Traffic Impact Report Royal Kunia Phase 2, August 2021 (draft)

ATTACHMENT 1
ROYAL KUNIA PHASE II ON STATE OF HAWAII SEA LEVEL RISE VIEWER

