

LINDA LINGLE
GOVERNOR



ROBERT J. HALL
ACTING EXECUTIVE DIRECTOR

STATE OF HAWAII
DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII

677 QUEEN STREET, SUITE 300
HONOLULU, HAWAII 96813
FAX: (808) 587-0600

EXECUTIVE ASSISTANT
03:FIN/1139

HAND-DELIVERED

March 12, 2003

RECEIVED
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OFF. OF ENVIRONMENTAL
QUALITY CONTROL

Ms. Genevieve Salmonson, Director
Office of Environmental Quality Control
235 South Beretania Street, Suite 702
Honolulu, Hawaii 96813

Dear Ms. Salmonson,

RE: Finding of No Significant Impact (FONSI) for Kinau Vista,
TMK (1)2-4-12:009 and 28, Honolulu, Hawaii

The Housing and Community Development Corporation of Hawaii has reviewed the comments received during the 30-day public comment period which began on November 8, 2002. The agency has determined that this project will not have significant environmental effects and has issued a FONSI. Please publish this notice in the March 23, 2003, OEQC Environmental Notice.

We have enclosed a completed OEQC Publication Form and four copies of the final EA. Please call Dean Sakata at 587-0576, Lloyd Fukuoka at 587-0579, or Lisa Wond at 587-0569 if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Hall".

ROBERT J. HALL
Acting Executive Director

Encs.

c: Kusao & Kurahashi, Inc., Planning & Zoning Consultants
Gary Furuta, Hawaii Housing Development Corporation

2003-03-23-0A-~~FEA~~ MAR 23 2003
FILE COPY

FINAL ENVIRONMENTAL ASSESSMENT

(
~~KINAU VISTA
AFFORDABLE ELDERLY RENTAL
APARTMENT DEVELOPMENT~~
Honolulu, Oahu, Hawaii
TMK: 2-4-12: 009 and 28

by its General Partner KINAU VISTA L.P.
HAWAII HOUSING DEVELOPMENT CORPORATION
Randolph G. Moore, Board Chair
Gary S. Furuta, Project Manager
Imperial Plaza, Suite C-103
725 Kapiolani Boulevard
Honolulu, Hawaii 96813

APPLICANT

Kusao & Kurahashi, Inc.
Planning and Zoning Consultants
Manoa Market Place
2752 Woodlawn Drive, Suite 5-202
Honolulu, Hawaii 96822

AGENT

MARCH 2003

FINAL ENVIRONMENTAL ASSESSMENT

**KINAU VISTA
AFFORDABLE ELDERLY RENTAL
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Honolulu, Oahu, Hawaii
TMK: 2-4-12: 009 and 28**

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MARCH 2003

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FINAL ENVIRONMENTAL ASSESSMENT

KINAU VISTA AFFORDABLE ELDERLY RENTAL APARTMENT DEVELOPMENT

**Oahu, Hawaii
TMK: 2-4-12: 09 and 28**

I. INTRODUCTION

The applicant, Hawaii Housing Development Corporation, proposes to develop an eight-story elderly affordable rental apartment building in accordance with the requirements of Chapter 201G of the Hawaii Revised Statutes (HRS), as amended. The eight-story building will provide 62 1-bedroom affordable rental units and one (2-bedroom) resident manager's unit, for a total of 63 apartment units, 30 at grade parking stalls two of which will be accessible stalls. Six of the parking stalls will be marked as visitor stalls. In addition to the 30 parking stalls a van accessible/loading stall will be available with ingress and egress via Kinau Street, as indicated in the plans provided in Appendix III. Three of the apartment units will be accessible to persons with disabilities. All other units will be adaptable. Amenities will include the availability of a resident manager; a multi-purpose room; laundry facilities; approximately 5,000 square feet of open space, part of which is planned as a Victory Garden for the enjoyment of the residents; the developer intends to provide a limited assisted living component that will be offered on an as needed basis to minimize the cost for these services to individual residents of the complex. The proposed elderly affordable rental apartment building is for elderly residents' (i.e., 62 and older) who earn at or below 30% and 60% of the area median income (AMI).

Final Environmental Assessment
Kinau Vista An Affordable Elderly Rental Development

This Final Environmental Assessment Report for the development of this multi-story affordable rental apartment building is prepared pursuant to and in accordance with the requirements of Chapter 343 HRS and Chapter 200 of Title 11, Administrative Rules - Environmental Impact Statement Rules. We met with Mr. Randall Fujiki, Director of the Department of Planning and Permitting and his staff prior to preparation of the Draft EA to discuss the project. All adjoining property owners' were notified by letter dated March 28, 2002 of the proposed project and our presentation before the Makiki/Lower Punchbowl/Tantalus Neighborhood Board No.10 on the evening of April 18, 2002, please refer to Appendix IX . The action that triggers this assessment is the proposed use of State and City funds for the proposed development at 1150 Kinau Street, Honolulu, Hawaii, as shown on Exhibit 1, Location and Zoning Map.

The proposed elderly affordable apartment use is permitted in the A-2 Medium Density Apartment District of Honolulu under the Land Use Ordinance (Section 7.80-4).

The proposed development will utilize two adjacent parcels of land. The front lot TMK: 2-4-12: 09 is located at 1150 Kinau Street and consists of 11,100 square feet. The back lot TMK: 2-4-12: 28 is located at 1320 Piikoi Street and consists of 5,761 square feet. The two parcels will be jointly developed through a Conditional Use Permit that will be requested upon approval of the 201G application. The official street address of the proposed Kinau Vista Affordable Elderly Rental Apartments will be 1150 Kinau Street,

Final Environmental Assessment
Kinau Vista An Affordable Elderly Rental Development

Honolulu, Hawaii 96814. The Kinau Street front lot is one lot west of the northwest corner of the Kinau/Piikoi Street intersection. The Piikoi Street back lot is an interior lot with an easement access off Piikoi Street. Kaahumanu School is located directly south and across Kinau Street from the development site. The Makiki District Post Office is located northwest of the development site. At this location the H-1 Freeway runs above Lunalilo Street and is located just one parcel beyond the development site to the north. A mixture of apartment building and single-family homes immediately surround the development site. First Hawaiian Bank, Safeway, Burger King and McDonalds are located one block south of the development site on Beretania Street.

II. GENERAL INFORMATION

- A. Developer/Applicant : Hawaii Housing Development Corp.
725 Kapiolani Blvd., Suite C-103
Honolulu, Hawaii 96813
Randolph G. Moore, Board Chair
Gary S. Furuta, Project Manager
- B. Recorded Fee Owner : Hawaii Housing Development Corp.
725 Kapiolani Blvd., Suite C-103
Honolulu, Hawaii 96813
- C. Approving Agency : State of Hawaii, Dept. Of Business,
Economic Development & Tourism,
Housing and Community Development
Corporation of Hawaii (HCDCH)

Final Environmental Assessment
Kinau Vista An Affordable Elderly Rental Development

- D. Tax Map Key : 2-4-12: 09 and 2-4-12: 28
- E. Agent : Kusao & Kurahashi, Inc.
Planning and Zoning Consultants
2752 Woodlawn Drive, Suite 5-202
Honolulu, Hawaii 96822
- F. Location : 1150 Kinau Street and 1320 Piikoi
Street in Honolulu, Hawaii (Exhibit 1)
- G. Lot Area : 16,861 square feet
- H. Zoning : A-2 Medium Density Apartment
District (Exhibit 1)
- I. State Land Use : Urban
- J. Development Plan : Medium Density Apartment
- Land Use Map : (Exhibit 2)
- Public Facilities : No improvements affecting the
Map : development site (Exhibit 3)
- K. Special District : Not in Special District
- L. Existing Use : 2-4-12: 09 - Vacant Parcel
2-4-12: 28 - Vacant Parcel
- M. Agencies Consulted : Board of Water Supply
(Pre-Draft EA) : Dept. Of Planning & Permitting
Jon Yoshimura, Member, Honolulu
City Council

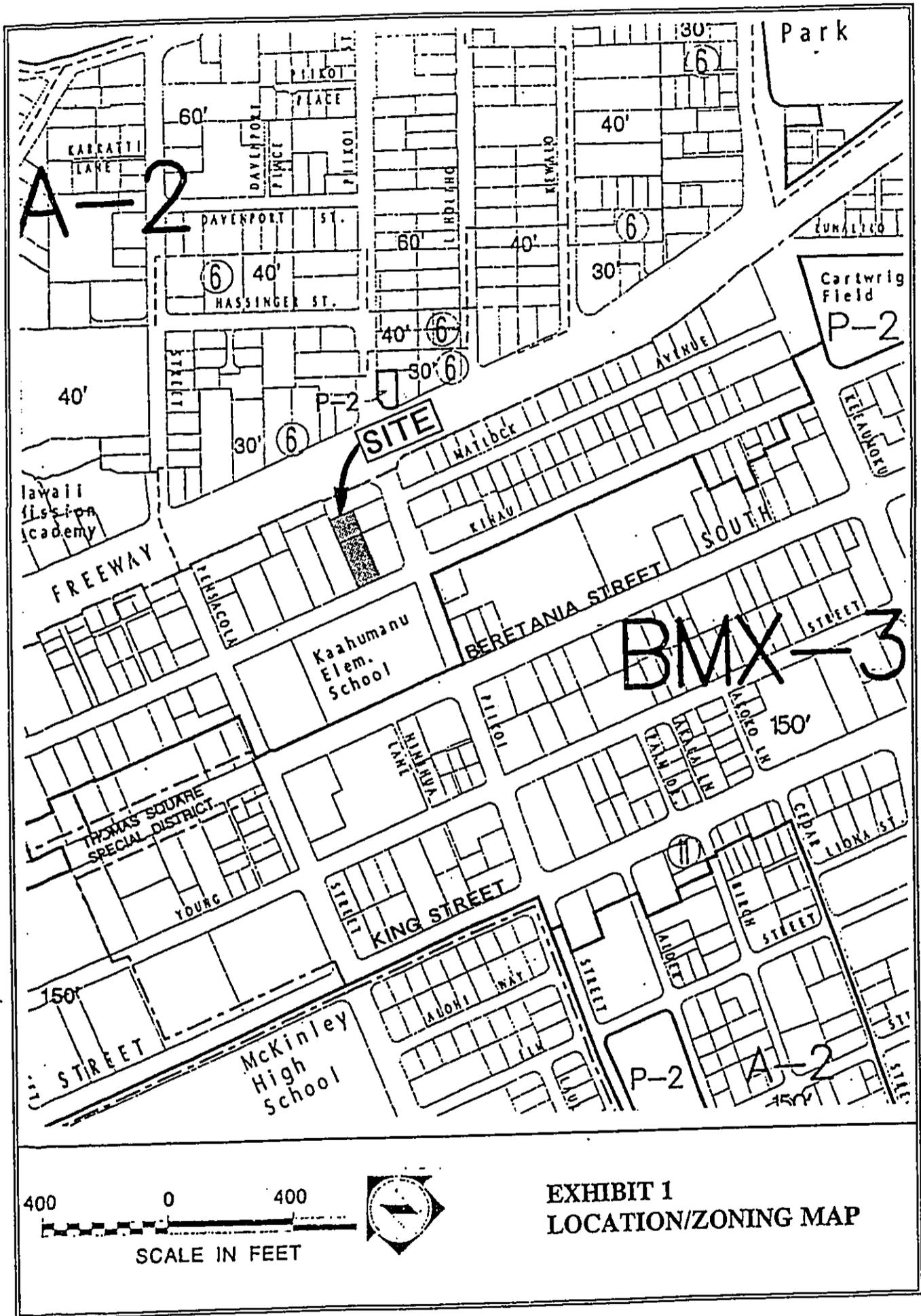
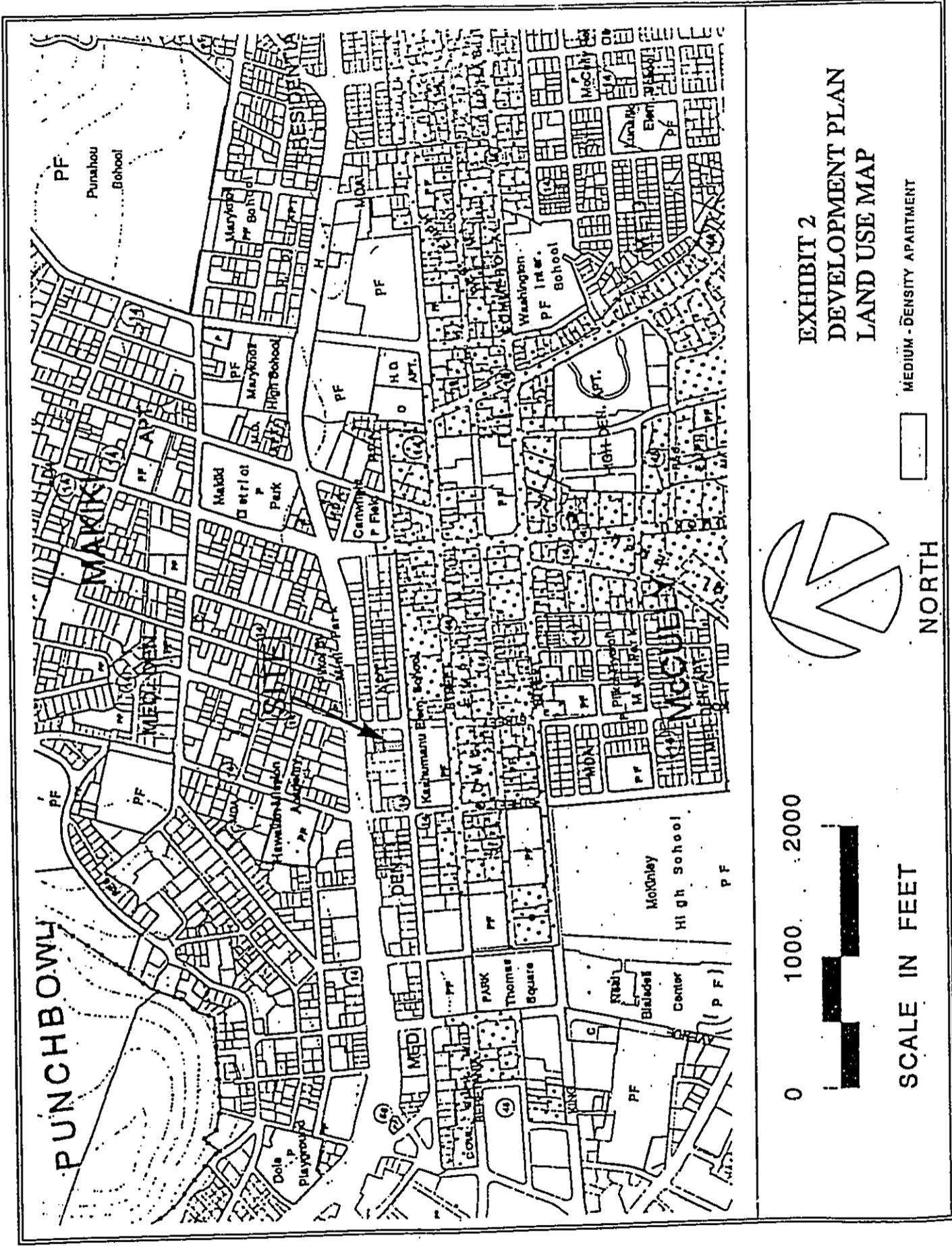


EXHIBIT 1
LOCATION/ZONING MAP

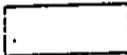
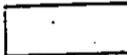
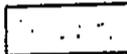
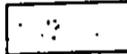
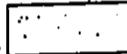
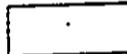
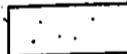
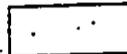
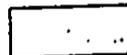
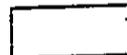


LEGEND FOR EXHIBIT 2

PRIMARY URBAN CENTER

DEVELOPMENT PLAN LAND USE MAP

ORDINANCE NO. 81-79 DATE: NOVEMBER 25, 1981

-  PRESERVATION
-  AGRICULTURAL
-  RESIDENTIAL
-  LOW - DENSITY APARTMENT
-  MEDIUM - DENSITY APARTMENT
-  HIGH - DENSITY APARTMENT
-  RESORT
-  COMMERCIAL
-  INDUSTRIAL
-  PARKS AND RECREATION
-  MILITARY
-  PUBLIC FACILITIES
-  RESIDENTIAL EMPHASIS MIXED USE
-  COMMERCIAL EMPHASIS MIXED USE
-  COMMERCIAL - INDUSTRIAL EMPHASIS MIXED USE
-  RESORT MIXED USE
-  DP LINES
-  STATE LAND USE
-  MILITARY
-  DP BOUNDARIES

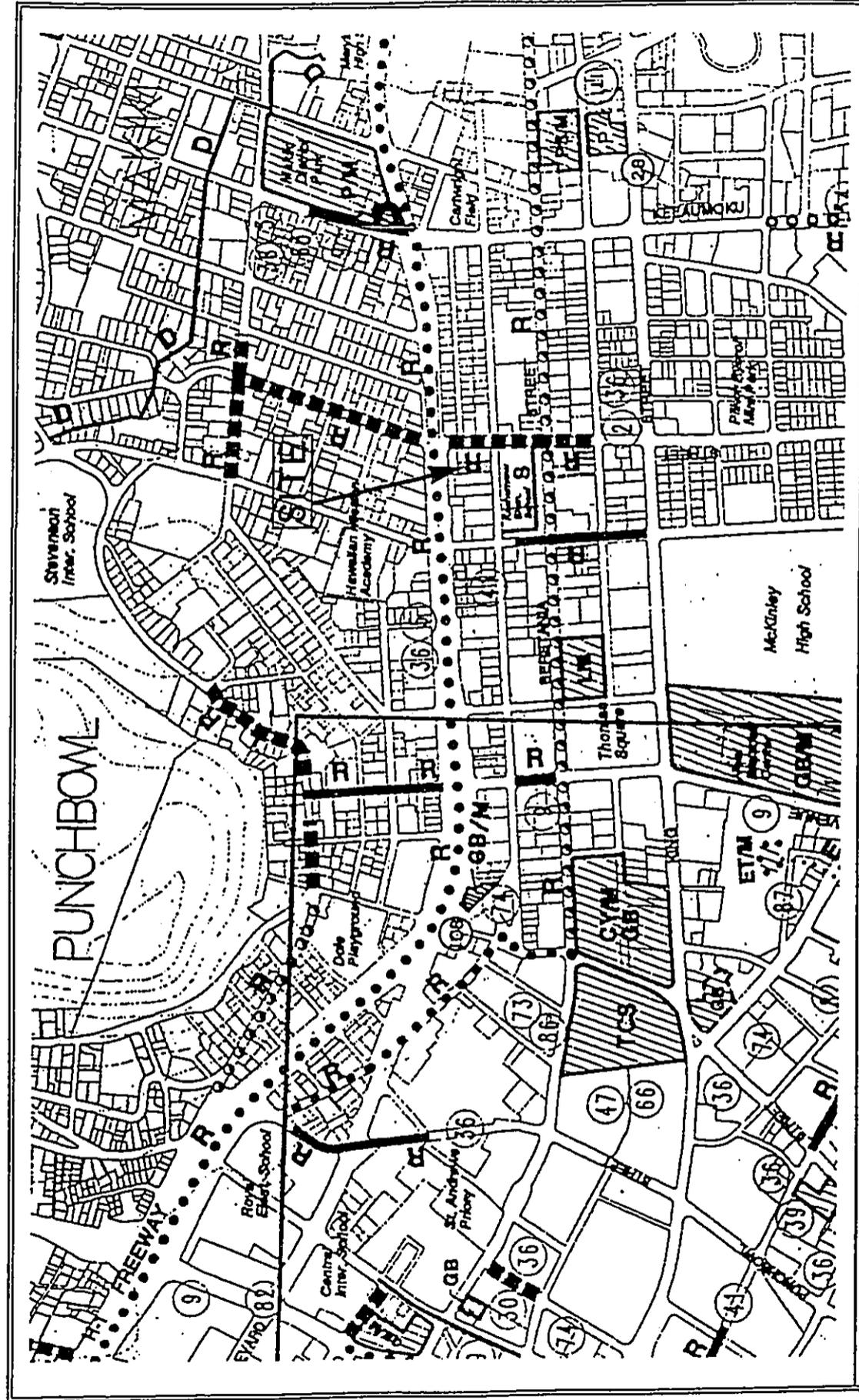


EXHIBIT 3
DEVELOPMENT PLAN
PUBLIC FACILITIES MAP

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SCALE IN FEET

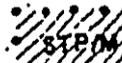
NORTH

LEGEND FOR EXHIBIT 3

PRIMARY URBAN CENTER DEVELOPMENT PLAN PUBLIC FACILITIES MAP

ORDINANCE NO. 81-79

DATE: NOVEMBER 25, 1981

	GOVERNMENT OR PUBLIC UTILITY PROGRAMMED FOR COMMENCEMENT OF LAND ACQUISITION AND/OR CONSTRUCTION (WITHIN 5 YEARS)	GOVERNMENT OR PUBLIC UTILITY PROGRAMMED FOR COMMENCEMENT OF LAND ACQUISITION AND/OR CONSTRUCTION (BEYOND 5 YEARS)	PRIVATE FUNDING (NOTING SCHEDULE)
SEWER SYSTEM	S _____ S	S - - - - - S	S S
WATER SYSTEM	W _____ W	W - - - - - W	W W
DRAINAGE SYSTEM	D _____ D	D - - - - - D	D D
TRANSPORTATION SYSTEMS			
RAPID TRANSIT	<u> </u> <u> </u>	<u> </u> <u> </u>	
ADDITIONAL RIGHT OF WAY AND NEW STREETS	R _____ R	R ■■■■■ R	R □□□□□ R
IMPROVEMENTS WITHIN EXISTING RIGHT OF WAY	R R	R ○○○○○ R	R ○○○○○ R
TRANSIT CORRIDOR	TC TC	TC ○○○○○ TC	TC ○○○○○ TC
PUBLIC FACILITY			
SITE DETERMINED (BY PROPERTY LINE)			
SITE UNDETERMINED (IN GENERAL AREA)			
MODIFY EXISTING FACILITY			

- N. Community Groups : Makiki/Lower Punchbowl/Tantalus
Neighborhood Board No. 10
Hawaii Community Reinvestment
Corporation

III. DESCRIPTION OF PROPOSED ACTION

A. General Description

1. Proposed Development

The proposed development will provide rental units affordable to elderly residents (i.e., 62 and older) who earn at or below 30% and 60% of the area median income (AMI). The development will be constructed over a nine month to one-year period. Construction will begin as soon as the applicant is able to receive approval of the development by the City, including building permit approvals. The concept of aging in place will be promoted by this development and seniors will be able to enjoy the company of friends and neighbors until age and/or illness place them in a position of 24-hour care that is provided by long term care facilities. The development also hopes to provide a service similar to an assisted living component that will be offered on an "as needed basis" to minimize the maintenance cost for individual residents of the complex. Our development planned for seniors in the low income category will try to

Final Environmental Assessment
Kinau Vista An Affordable Elderly Rental Development

minimize maintenance cost by developing individual programs of assistance for the seniors as they need it. The applicant has a Memorandum of Understanding with the Catholic Charities of the Diocese of Honolulu and more specifically with its Elderly Services group to come to an agreement on the services that they will provide. The Catholic Charities Elderly Services group is expected to make available the following services:

- i. Case Management - which is the comprehensive, holistic approach to the planning delivery of services to meet the client's needs.
- ii. Set up classes for social, educational, and/or health needs - to prevent the social isolation of the residents and to foster preventive measures for health related areas.
- iii. Provide chore services, such as light housekeeping.
- iv. Provide transportation - to doctors, other medical, entitlement, or financial appointments.
- v. Provide a shopping service - assist clients by doing their marketing (food shopping) or other shopping for them.
- vi. Money management - help with direct deposits, check writing and bill paying.
- vii. Arrange for personal care or health related needs - including bath assistance, assistance with other daily hygiene requirements, nurse monitoring and other daily activities that a resident requires assistance with. This may also include having doctors, nurses and other health

Final Environmental Assessment
Kinau Vista An Affordable Elderly Rental Development

practitioners come to the site to speak or to provide health related services, including blood pressure and cholesterol screening, and podiatry services.

- viii. Establish linkages with all agencies and service providers in the community.
- ix. Develop a directory of providers for use by project staff and residents and referring and linking residents to service providers in the community.
- x. Educate residents on service availability, application procedures (including food stamps, rent rebates, Supplementary Social Security Income, Medicare, prescription assistance, energy assistance, etc.) client rights, and other relevant issues.
- xi. Develop case plans in coordination with assessment services.
- xii. Monitor the ongoing provision of services from community agencies.
- xiii. Set up volunteer support programs with service organizations.
- xiv. Help the resident build informal support networks with other residents, family and friends.
- xv. Educate project staff on issues related to aging in place and service coordination.
- xvi. Assess residents' functional abilities so that the appropriate case plans can be development.

- xvii. Increase social interactions among residents and decrease isolation by some through the promotion of social activities and encouraging greater participation by all residents.

The multi-purpose room will serve as the focal point for the classes and services being offered and will provide a gathering place for the residents to socialize, enjoy classes, and participate in other activities.

The multi-purpose room will also be available as a congregate dining room and meal service may be offered and provided by an agency network provider as requested, or the many neighboring restaurants located near Piikoi/Young Street, including wisteria and Zippy's among many others. If there is enough demand, a daily meal delivery service from the surrounding restaurants may be operated.

The purpose of providing these services, on a non-denominational basis, is to foster the "aging in place" concept and help the individuals manage living in their own apartments and community environment for as long as possible and as independently as possible.

The proposed eight story Kinau Vista development will consist of 62 one-bedroom units, and one (2-bedroom) resident manager's unit, for a total of 63 apartment units. The building will be only approximately 72 feet tall, whereas 150 feet is the allowable height in this A-2 Medium Density Apartment District.

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Three of the apartment units will be accessible to persons with disabilities. All other units will be adaptable. There will be 30 at-grade parking stalls, one of which will be an accessible stall. Six of the parking stalls will be marked as visitor stalls. In addition to the 30 parking stalls a van accessible loading stall will be available with ingress and egress via Kinau Street, as indicated in the plans provided in Appendix I. The 1-bedroom apartment units will each measure approximately 418 square feet in size, and the resident manager's 2-bedroom unit will measure approximately 574 square feet in size. The applicant will provide all sixty-two (62) of the available one-bedroom units (100%) as affordable units for rent to households in the 30% and 60% of the AMI. The remaining 2-bedroom unit is intended for use as the resident manager's apartment. In addition to the apartment units, the development will include an Entry Lobby, along with the Manager's Office, the Mechanical and Electrical Room, Multi-Purpose Recreational Room with an adjoining Kitchen and Restrooms. The resident manager's 2-bedroom apartment will be located on the second floor along with a utility/storage room. A full laundry will be located on each of the 8 floors.

In addition to the indoor common areas, the total exterior open space area of approximately 5,000 square feet will include

Final Environmental Assessment
Kinau Vista An Affordable Elderly Rental Development

a Victory Garden and a private park area. The concept of a victory garden has been used successfully in similar elderly rental projects built by this developer. The well-being of the elderly residents can be greatly enhanced by offering them the amenities of such a garden. Benches and picnic tables will also be provided within the private park areas to allow the residents a place to relax and socialize with their fellow residents' and nearby neighbors.

The building will have a front yard setback of the required 10 feet along Kinau Street, and the required 10 feet setback for its side and rear yard. The landscape treatment for Kinau Vista development will consist of four (4) medium canopy trees in the planting areas along Kinau Street to minimize the visual impact of the structure. Eleven (11) additional medium canopy trees will be located within the parking area, near the west side of the property. Five (5) medium canopy trees are planned for the north end of the property, with ground cover and lawn in appropriate locations within the open space of the property. A minimum 2-foot hedge is planned along the property line on Kinau Street to help screen surface parking, the loading area, and to give privacy to residents resting or socializing within the open areas. The irrigation system will be connected to an existing water line that is designed to provide adequate water

coverage to all planting areas. Reclaimed water will not be used for landscaping. The new automatic irrigation system will consist of spray heads and drip emitters. The landscape sprinkler system will be divided into zones, meaning, separate watering schedules in order to conserve and better manage our water supply.

2. Location

The development site is located in the Primary Urban Center of Honolulu. The proposed development will utilize two adjacent parcels of land. The front lot, TMK: 2-4-12: 09 is located at 1150 Kinau Street and consists of 11,100 square feet. The back lot, TMK: 2-4-12: 28 is located at 1320 Piikoi Street and consists of 5,761 square feet. The official street address of the proposed Kinau Vista Affordable Elderly Rental Apartments will be 1150 Kinau Street, Honolulu, Hawaii 96814. The front lot is one lot west of the northwest corner of the Kinau/Piikoi intersection. The Piikoi Street back lot is an interior lot with easement access off Piikoi Street. The two parcels will be jointly developed through a Conditional Use Permit for Joint Development of two or more lots. The existing access easement off Piikoi Street will be closed for access purposes. The development site is located within the Makiki/Lower Punchbowl/Tantalus Neighborhood Board District.

3. Surrounding Area

A 6-story apartment building is located immediately east of the front lot on Kinau Street, and a two-story duplex building is located immediately east of the back lot. Single family residences are located immediately west of the front lot on Kinau Street, and the west side of the back lot. Immediately north of the back lot is a vacant parcel of land. The greater surrounding area is developed with a mix of commercial, residential and apartment uses. Also in the greater surrounding area are public uses, industrial uses, churches and parks. Numerous small businesses are in the area, as well as market and affordable residential apartments. Kaahumanu School is located directly south and across Kinau Street from the development site. The Makiki District Post Office is located two blocks away, northwest of the development site. At this location the H-1 Freeway runs above Lunalilo Street and is located just one parcel beyond the development site to the north. First Hawaiian Bank and Safeway are located two blocks away, south of the development site. Wisteria and Zippy's Restaurants are located two blocks away near Piikoi/Young Street. Kaiser Permanente Honolulu Clinic is about three blocks away at Pensacola/Young Street. Times Super Market is located a half-block east of the development site. A Seven/Eleven store is located just across the

intersection of Kinau Street and Piikoi Street.

The proposed rental apartment use of the site is a permitted use that is compatible with the surrounding uses.

The site fronts Kinau Street in the block between Pensacola Street and Piikoi Street.

4. Land Use Approvals

a. State Land Use

The development site is designated Urban under state land use and the proposed affordable rental apartment development is consistent with this designation.

b. Development Plan

The proposed elderly affordable rental apartment development is consistent with the proposed Primary Urban Center (PUC) Development Plan for the following reasons:

- a. The property is designated High-Density Residential Mixed Use on the proposed PUC Development Plan.
- b. Section 3.3.2, "Policies" recognizes the need to support development of affordable housing in the policy to "Provide incentives and cost savings for affordable housing. Provide exemptions from zoning and building codes for housing projects that

meet established standards of affordability, on a case-by-case basis.”

The affordable elderly rental apartment development is following this policy through the processing of a 201G permit application. Although the project is well below the existing height limit (150 feet) for the site, it will exceed the 60-foot height limit proposed by the PUC Development Plan. The height of the proposed apartment, however, is in keeping with the heights of three of the four lots located west of the project site and two lots east of the project site on Kinau Street.

No improvements affecting this site appear on the Development Plan Public Facilities Land Use map. However, there is a plan for additional right of way on Piikoi Street in the beyond six year category.

c. Zoning

The development site is zoned A-2 Medium Density Apartment District. The proposed affordable rental apartment use is consistent with this zoning designation. It is located in a concentrated urban area where public services are centrally located and infrastructure capacities are adequate. In order to accommodate the provision of

100% of the rental units at affordable rates, Kinau Vista will remain affordable for 61 years and the applicant will be requesting exemptions from certain design standards of the A-2 Medium Density Apartment District in the processing of the Chapter 201G, HRS, permit application.

B. Technical Characteristics

1. Use Characteristics

The applicant will provide all 62 rental apartment units (100%), to those residents (i.e., 62 and older) who fall within 30% and 60% of the area median income (AMI). The additional two-bedroom unit, that makes up the 63-units, will be used by the resident manager.

The proposed rental rates are as follows: Seven (7) units within the proposed development will be rented at the 30% and below AMI levels. The initial gross rent for these apartments will be \$313.00 per month, \$50.00 per month less than HUD's maximum of \$363.00 per month. Fifty-five (55) units within the proposed development will be rented at the 60% and below AMI levels, with an initial gross rent of \$551.00 per month. This rent is \$175.00 per month below HUD's current maximum gross of \$726.00 per month for this income level.

Additional uses within the development will include a Manager's Office, Case Manager's Office, Private Park, Victory

Garden, and the Mechanical and Electrical Room adjacent to the ground floor lobby. A Multi-Purpose Room with a kitchen and bathrooms will be located on the 1st floor. Laundry rooms will be located on the 2nd through 8th floors.

2. Physical Characteristics

The proposed development will include a new 8-story concrete building consisting of 63 units (62 1-bedroom units and one 2-bedroom unit) and 30 at grade parking stalls that includes one accessible stall plus one van accessible loading stall. Six of the parking stalls will be marked as visitor stalls. A rendering, site plan, floor plans and elevation plans of the 8-story elderly affordable rental apartment building are provided in Appendix I.

All of the rental units will be affordable to elderly residents (i.e., 62 and older). An additional two-bedroom unit is intended as the resident manager's apartment. In addition to the apartment units, the development will include a Manager's Office, Case Manager's Office, Private Park, Victory Garden, and the Mechanical and Electrical Room on the ground floor. A Multi-Purpose Room with adjoining bathrooms and kitchen will be located on the 1st floor. A laundry room will be located on the 2nd through 8th floors.

The apartment building will be designed to incorporate energy saving light fixtures, energy efficient window air

conditioning (optional), energy efficient hot water heaters, and low flow plumbing fixtures.

The elderly affordable rental apartment building, with a finished height of approximately 72' will be well below the maximum height limit of 150' for this A-2 Medium Density Apartment District.

Access to the development site will be via Kinau Street, with a single driveway facilitating easy access to and from the building and parking spaces. Entrance to the Lobby/Elevator will be directly from the parking lot. The development will include one loading zone. The at-grade parking will contain 30 parking spaces of which one will be an accessible stall.

A total of approximately 5,000 square feet of open space area will be provided on the development site, 1,545 square feet of which will be dedicated as a Victory Garden and 1,600 square feet for a Private Park and Picnic Area, for use by the residents. The concept of a victory garden has been used successfully in similar elderly rental developments built by this developer. The well-being of the elderly residents can be greatly enhanced by offering them the amenities of such a garden. A multi-purpose room of 760 square feet will also be provided on the 1st floor for socialization and recreational activities, in addition to other uses.

The landscape treatment for Kinau Vista Apartments will

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consist of four (4) medium canopy trees fronting Kinau Street. eleven (11) more medium canopy trees will be located within the parking lot and five (5) medium canopy trees are planned to be located along the north property line. Lawn and ground cover will be located in appropriate locations within the open areas. Please refer to Appendix 1 - Site Plans and Landscape Plan. A hedge or fence wall is planned along the east property line to screen surface parking and the loading area and also to give privacy to tenants socializing in the nearby open lawn area. Within the Victory Garden, garden plots will be set up as needed to allow the elderly residents to enjoy gardening and the growing of various types of vegetables, fruit and/or ornamental plants. The well being of the elderly residents will be greatly enhanced in this effort, through their physical effort in caring for the growing plants and the social interaction that would take place with their neighboring gardeners.

The total floor area for the development will be approximately 39,051 square feet, with each 1-bedroom unit consisting of approximately 418 square feet. The ground floor lobby, managers office, electrical room, pump room, etc. will consist of approximately 300 square feet. The multi-purpose room on the 1st floor will measure approximately 760 square feet including kitchen and bathrooms.

3. Construction Characteristics.

The development will be constructed over a nine month to one-year period. Construction will begin as soon as the applicant is able to receive approval of the development by the City, including building permit approvals.

The development will be built at or near existing grade. Excavation for the development should be limited to the footings and foundation of the structure.

Dust control measures appropriate to the situation will be employed by the contractor, including where appropriate, the use of water wagons, erection of dust barriers and other methods for minimizing dust.

IV. IMPACTS

A. Demographic Impacts

1. Residential Population

The development will provide 62 1-bedroom affordable rental apartment units, and one two-bedroom resident manager's unit. These units could support a resident population of 63 or more.

The General Plan Population Guidelines establish a population range for the Primary Urban Center Development Plan Area for the Year 2010 of between 450,800 and 497,800

persons. In 2000 the actual population for the Primary Urban Center was 419,338. The additional population supported by this development will help the Primary Urban Center in reaching the population range planned in the Year 2010.

Data@Work, Inc. a market research firm that specializes in analyzing residential real estate markets for developers, has been retained by the Hawaii Housing Development Corporation, General Partner of Kinau Vista L.P., to perform a study analyzing the market for affordable senior rental in Honolulu. The market study dated February 27, 2002, and titled, "Kinau Vista - Affordable Senior Housing Market Study", focuses on the historical, current, and projected rental market conditions and trends to help forecast the absorption for the proposed project.

".....Overall, the economic and residential real estate conditions were shown to be creating the kind of demand that would be favorable to the kinds of units proposed by the subject project. In general it appears we are entering a market characterized by low supply and growing demand.

Oahu's overall rental market shows signs of having bottomed out, with upward pressure on rental rate noticeable in several neighborhoods, including those surrounding the proposed project. There are wait lists in places for senior rental units, and

the present inventory is almost 100% occupied, again with wait lists. In addition, an examination of the projected growth in the number of households in the targeted market was performed and it was shown that demand, both potential and 'effective' should be more than sufficient to absorb the number of proposed units. On the supply side, the tight market conditions prevailing in existing senior affordable rental projects were noted. In addition, an examination of future supply was made and we concluded there are few projects in the works that target either the general rental market demand, or the specific target market demand (senior affordable rental demand). We concluded that neither current nor future supply does not appear sufficient to absorb significantly the current (sic), and projected demand in this market. (grammatical error)

Given these indicators, the project should be able to achieve similar rental rates of other affordable rental projects (\$510 at Royal Kinau to \$726 at Kulana Hale) and achieve a rapid absorption. The developer can anticipate between 170 and 210 applications within six to twelve months after marketing is commenced. Of those, the developer should be able to convert enough to be able to reach final occupancy within a six to twelve month period after the project has been completed."

2. Visitor Population

The development will have no impact on the visitor population.

3. Character or Culture of the Neighborhood

The two adjacent lots proposed for the Kinau Vista development are located in an urban setting. The front lot on Kinau Street is vacant and since publication of the Draft EA, the two older single family homes on the back property have been demolished. The site is surrounded by condominiums, apartment structures, single family homes, Kaahumanu School, and numerous small commercial buildings.

The proposed rental apartment use of the site is in keeping with the existing character of this neighborhood and is compatible with the surrounding condominium and apartment uses.

4. Displacement

The parcel on Kinau Street is a vacant lot and the back lot had two older single family homes on the property. Since publication of the Draft EA, the two older single family homes on the property have been demolished.

B. Economic Impacts

1. Economic Growth

As a rental apartment development Kinau Vista

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development will have primarily a secondary effect on economic growth by providing short-term construction jobs. The development will also provide a limited amount of long-term, full time employment for a resident manager, security guard and maintenance personnel.

2. Employment

As mentioned earlier the development will provide short-term construction jobs and a few long-term jobs in the form of a resident manager, security guard and a maintenance person. The development will also benefit existing service contractors, e.g. elevator maintenance companies, security companies, alarm companies, etc., as well as businesses in the area.

3. Government Revenues/Taxes

Tax revenues will be generated by the short-term construction work and also modest revenues by the long-term employment.

The fee exemptions requested in the 201G application to the City and County of Honolulu are as follows:

	Approximately
a. Building Permit Fee -	\$22,800
b. Real Property Tax -	\$30,000/yr.
c. GE project development -	\$320,000
d. GE operation expense -	\$8,000/yr.

C. Housing Impacts

1. Increase Supply

Sixty-two (62) affordable rental apartment units are planned for this development (an additional two bedroom unit will be used by the resident manager) and will increase the number of affordable rental units available to elderly residents in the Makiki/Lower Punchbowl/Tantalus neighborhoods of Honolulu.

2. Affordable Units

The applicant proposes that 100% of the rental apartment units will be affordable to those (i.e., 62 and older), who fall within the category of 30% and 60% of the area median income (AMI).

D. Public Services

1. Access and Transportation

Access to the development site will be via Kinau Street, with a single driveway facilitating easy access to the parking spaces, loading space and lobby entrance.

The proposed expansion may involve some short term construction disruption of traffic for transportation of construction equipment to and from the site and delivery of building materials to the site. The delays are normally of short duration and will end when the construction is completed.

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There will be three times during which we envision traffic being impacted by this project. The initial site work, the eight separate days of slab pours spaced approximately two weeks apart, and final utility and driveway connections. During all three periods, the necessary warning signs and flag-men to control traffic will be utilized to ensure the public's safety. The contractor will coordinate any traffic issues with Captain Edward Nishi of District 1, phone number 529-3386.

All construction activity will be within the fenced project site and the only work outside of the site will be limited to utility and driveway construction near the end of the project. The construction site will be fenced on all four sides to prevent theft and vandalism. During non-working hours, the project site will be locked down to prevent entry on to the property.

Julian Ng, Incorporated has prepared a traffic assessment for the elderly affordable rental apartment development, for the applicant. The traffic assessment is titled "Traffic Assessment for Kinau Street Apartments" and dated March 15, 2002. Please refer to Appendix II - Traffic Assessment.

The Traffic Assessment section "Summary" states as follows:

"The proposed development will have minimal impact to traffic conditions on Kinau Street and the surrounding

area. The proposed development is estimated to have a daily impact of about 220 vehicle trips (total of entering and exiting) on a typical weekday. Highest hourly volume in one direction (entering or exiting) is estimated to be less than 10 vehicles per hour, compared with the guideline suggested by the Institute of Transportation Engineers that "a traffic assess/impact study be conducted whenever a proposed development will generate 100 or more added (new) peak direction trips to or from the site during the adjacent roadway's peak hours or the development's peak hour." (From Traffic Access and Impact Studies for Site Development, A Recommended Practice, 1991)"

A parking analysis show that the 30 parking spaces provided as part of the Kinau Vista Apartments should be adequate for the intended use as an elderly rental facility."

Under Existing Traffic Conditions the Traffic Study further stated:

"Kinau Street is a four-lane minor arterial carrying one-way eastbound (koko head bound) traffic. While apartment buildings and single family dwellings are the predominate uses along the street, the Queen Kaahumanu Elementary School is located opposite the development site on the south side of the street. Parallel parking is

permitted on both sides of the street; however, there are restrictions during the afternoon peak period to open all lanes to traffic.”

“The development site is located near the signalized intersection of Kinau Street and Piikoi Street in Honolulu, Hawaii. The Kinau Street approach consists of four lanes. The first lane (left curb lane) is used for left turns to Piikoi Street only. The second lane is an option lane for left turns and through traffic remaining on Kinau Street. The third and fourth lanes carry through traffic only. Drivers turning left use the curb lane if they are destined for Lunalilo Street. Drivers wishing to enter the H-1 Freeway eastbound or to continue mauka on Piikoi Street would use the second lane.

“Piikoi Street is also a four-lane one-way street. All four lanes are for through traffic only at the approach to Kinau Street; an additional lane provided at this approach is used for right turns only. Existing traffic conditions at the intersection are best described as congested during peak traffic hours and not much better at other times. The congestion, which occurs primarily on Piikoi Street, is caused by high traffic demand wishing to enter the H-1 Freeway westbound and the resulting traffic congestion along Lunalilo Street (one block away).”

The standard three-step procedure of trip generation, trip distribution and traffic assignment was used to estimate peak hour traffic from the proposed development.

Trip generation for the proposed development was determined based on the development land uses and trip rate data from the ITE Trip Generation Report by the Institute of Transportation Engineers, Sixth Edition, 1997. The project site trip generation count for the proposed 62-unit elderly apartment is as follows: morning entry = 3, morning exit = 2; afternoon entry = 4, afternoon exit = 3.

Parking generation was determined based on the project land uses and data from the ITE Parking Generation Report. The parking generation rate is the number of occupied parking spaces per one unit of independent variable. The average parking generation rate on a weekday for a retirement community is 0.27 occupied stalls per dwelling unit which includes parking generated by residents, visitors and service personnel. Therefore, using this rate with 62 occupied units (excluding the resident manager's unit) gives an estimated peak parking load of 17 stalls plus the stall required for the resident manager's unit, one additional stall, bringing the total to 18 stalls.

We are requesting an exemption from the number of

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parking stalls required by the Land Use Ordinance, based on an analysis of the projected parking generation provided by our traffic consultant, Julian Ng, Incorporated. This analysis has determined (0.48 parking spaces per dwelling unit) should be adequate for the use proposed (rental apartments for the elderly).

To further support the adequacy of 30 parking stalls to accommodate the parking demands projected for Kinau Vista, please refer to the table prepared by the former Department of Housing and Community Development on page 17 of the Traffic Assessment - Appendix II. This table indicates that the average parking ratio for tenant parking requirements is about 1 stall per 5 units in urban elderly housing developments. Our development may enjoy an even lower parking demand when developed because the senior affordable income group that this development will support is the group earning 30% and 60% below annual median income (AMI). For a single senior at or below 30% AMI, the income limit is \$13,550.00 and for a family of two seniors it is \$15,500.00. For one senior at or below 60% AMI, the income limit is \$27,120.00, and for a family of two seniors it is \$31,020. The typical senior household is a single elderly female. With the advanced age of each resident and the limited income, the cost of maintaining and up-keeping a car, in addition to other living expenses, such as rent, food and clothing may be

cost prohibitive.

Other factors which, in this development, will minimize the need for vehicles for elderly residents are its convenient location to major bus lines on Beretania Street and King Street; the many restaurants, small stores, banks and doctor's offices (Kaiser Permanente Honolulu Clinic) located near by; and the short walk to Times Super Market and Safeway Super Market located on Kinau and Beretania Streets, respectively.

In summary, it is projected that the proposed 63-unit rental apartment development will have minimal impact on traffic since it is anticipated that the majority of the elderly residents will not be driving. The 30 parking stalls should be more than adequate to support the proposed apartment units. As a note of interest, our Kalakaua Vista Affordable Elderly Rental Apartment building recently opened, and as of March 20th 2002, 43 units were occupied. Only ten parking stalls have been requested from residents of the 43 units. Our Wisteria Vista Affordable Elderly Rental Apartment has vacant tenant stalls as of the date of this report.

Bus transportation servicing the development site travels along Beretania Street and King Street. Pedestrian access will be provided from Kinau Street. Concrete sidewalks exist on both sides of Kinau Street, as well as on other streets in the area.

Marked crosswalks are provided at signalized intersections (except that pedestrian crossing is prohibited across the north leg of Piikoi Street at Kinau Street, due to potential conflict with left turns).

In addition to an accessible stall within the parking lot, a van accessible loading space will be provided. Please refer to Site and Ground Floor Plans in Appendix I. Users of The Handi-Van service will need to cross Kinau Street to the makai curbside for pick-up and drop-off.

2. Water

The Honolulu Board of Water Supply (BWS) currently provides potable water for the development site. No off-site water improvements are needed to service the proposed development.

The design of the development will incorporate water efficient toilet fixtures, low flow shower heads and sink faucets, for water conservation.

The existing water system is adequate to accommodate the proposed apartment building, according to a BWS letter (Appendix III, Agency Comments) dated January 24, 2002.

The average daily water consumption (demand) per day for the 63-unit apartment building will be approximately 6,300 gallons per day, based on an assumption of 2 persons per unit

(although our experience is that most units will be single occupancy) and an average of 50 gallons per day per person of domestic water consumption. Additional water used for irrigation of landscaping and ground maintenance will be minimal.

3. Wastewater

The average daily wastewater flow expected to be discharged by the proposed development is estimated to be approximately 5,040 gallons per day based on the proposed rental apartment use. Wastewater calculations assumes 63 units, 2 persons per unit with an average of 40 gallons per day per person of wastewater flow. Please refer to Appendix III for Sewer Connection Approval dated January 17, 2002.

Municipal wastewater service for the area is provided by a 8" wastewater transmission line on Kinau Street, and an 8" wastewater transmission line on Piikoi Street through easement.

4. Drainage

Both lots have a slight slope up in the northern direction. The front lot is covered with rock, ground cover and shrubs while the back lot has two single-family homes on the property.

The proposed development will have street frontage on Kinau Street and the required 10-foot front, side and rear yard setback has been incorporated into the plans. Kinau Street and Piikoi Street, at this location, are improved with curbs and gutters that

connect into the City's system. The developer will maintain the existing drainage pattern (which flows toward Kinau Street) on the site. The proposed development may reduce runoff from the development site since the proposed development will introduce landscaping that is presently non-existent.

Design of onsite drainage systems will comply with "Rules Relating to Storm Drainage Standards, Department of Planning and Permitting, City and County of Honolulu, 2000". The applicant will also employ best management practices (BMP's) to control and reduce the discharge of pollutants during the construction of Kinau Vista apartments.

On site drainage systems will be designed to accommodate a storm with a 10-year recurrence interval. Storm water runoff from a 10-year storm will be approximately 2 cubic feet per second for the existing and with development conditions.

The development site is in Zone X, an area determined to be outside the 500 year flood plain.

5. Solid Waste Disposal

The solid waste generated by the proposed expansion will be collected by a private refuse firm and will not impact municipal refuse services.

6. Schools

The proposed elderly affordable rental development will

not impact the local school system.

7. Parks

Kaahumanu Elementary School and playground is located directly across the street from the proposed Kinau Vista and provides recreational areas in close proximity to the development. Cartwright Park is approximately 1,600 feet away in an easterly direction. Makiki District Park is located approximately 1,700 feet away on Keeaumoku Street, in a north easterly direction, and Sheridan District Park is approximately 1,500 feet away on Piikoi Street in a southerly direction.

8. Police

The development site will be serviced by patrol officers from District #7, stationed at the Alapai Headquarter's Building.

9. Fire

The Wilder Avenue Fire Station #3 is located approximately 2,000 feet from the development site and will provide primary response in case of an emergency. A fire protection system, as required by the Fire Department, will be provided per the Board of Water Supply standards. Civil drawings will be submitted to the Honolulu Fire Department for review and approval prior to the Building Permit being issued.

10. Utilities

a. Electric

The Hawaiian Electric Company has existing power lines serving this area and the applicant will coordinate development of Kinau Vista to ensure that the power lines will be adequate to support the proposed rental apartment development.

In addition, the design of the project incorporates energy efficient light fixtures in the common areas for energy conservation.

The applicant is providing battery back up emergency lights, which in the event of a power failure will provide safe access to stairs should evacuation become necessary. The resident manager can be called for assistance and if necessary request help from Catholic Charities or other service providers to assist in an evacuation.

Should the power failure continue for an extended period of time (which has been extremely rare in this highly urbanized area of Honolulu), the resident manager, again with possible assistance from service providers, will provide bottled water for drinking purposes.

b. Telephone

Verizon formally GTE Hawaiian Telephone Company has existing utility service lines in the area. It is expected that these existing lines will be used to service this proposed apartment development. Development of Kinau Vista will be coordinated with Verizon to determine if new lines will be required. No off-site work is expected.

c. Others

Cable television presently services other buildings in the surrounding area and arrangements will be made with the appropriate firms to provide cable service to this rental apartment as well.

E. Environmental Impacts

1. Historical and Archaeological Resources

The development site has been in urban use for many years and a number of different uses and buildings have existed on the two lots. Because the site has been extensively developed with no previous record of historic or archaeological discoveries, the proposed development is not expected to have an impact on archaeological resources.

Although it does not appear that the development will impact on any historic sites, the applicant will instruct his

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contractor (earthwork) to immediately stop work and contact the State Historic Preservation Division (SHPD) for review and approval of proposed mitigation measures should any previously unidentified historic sites (including but not limited to artifacts, shell, bone, or charcoal deposits, human burials, rock or coral alignments, pavings or walls) be encountered during the development of Kinau Vista approved under this Environmental Assessment. Work in the immediate area shall be stopped until SHPD is able to assess impacts and make further recommendations for appropriate mitigation measures.

2. Natural Resources

a. Water Resources

The Pacific Ocean (Ala Moana Beach Park) is located approximately 5,600 linear feet south of the subject lot. The development will have no significant effect on this body of water.

b. Flood Plain Management

The development site is in Zone X, area determined to be outside the 500-year flood plain.

c. Wetlands Protection

The development site is an urbanized lot that contains no wetlands.

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d. Coastal Zone Management

The development site is not within the coastal zone management area or within the City's Special Management Area.

e. Unique Natural Features

The development site is level with soil suitable to support urban development as can be seen from other high rise structures on nearby lots. There are no unique features such as sand dunes or sloped areas where erosion would be a concern.

f. Flora and Fauna

This urbanized site does not contain any wildlife habitats or rare or endangered flora or fauna.

g. Agricultural Lands

The development site is in an urban area where its use will not impact agricultural lands or lands with the potential for agricultural use.

h. Open Space

The development site partially unimproved is zoned A-2 Medium Density Apartment District. The proposed development is situated in an urbanized and developed area and development of this site will not affect any important open space features in the area.

F. Topography

The subject site consists of two lots with a slight up-slope in the northerly direction, located in an urban setting.

G. Soils

The U.S. Department of Agriculture Soil Conservation Service Soil Survey Report for the Island of Oahu classifies the soils for this area as Makiki Series (MkA). This series consists of well-drain soils on alluvial fans and terraces in the city of Honolulu. They are nearly level. Elevations range from 20 to 200 feet. The annual rainfall amounts to 30 to 60 inches. Most of it falls between November and April. The mean annual soil temperature is 73 degrees F. Makiki soils are geographically associated with Kaena and Tantalus soils. These soils are used almost entirely for urban purposes.

Makiki clay loam, 0 to 2 percent slopes (MkA) - This soil is on smooth fans and terraces. Included in mapping were small, stony areas and small areas of Kaena soils.

In a representative profile the surface layer is dark-brown clay loam about 20 inches thick. The subsoil, about 10 inches thick, is dark-brown clay loam that has sub-angular blocky structure. It contains cinders and rock fragments. The subsoil is underlain by similar material, about 24 inches thick, that is massive. Below this are volcanic cinders. The soil is strongly acid to medium acid.

Permeability is moderately rapid. Runoff is slow, and the

erosion hazard is nor more than slight. The available water capacity is about 1.7 inches per foot of soil. In places roots penetrate to a depth of 5 feet or more.

H. Noise

Short term noise impacts at construction sites are a normal result of construction activity. The State Department of Health administers rules and regulations relating to the hours during which construction is permitted and the noise levels permitted during those hours. The contractor will be required to apply for a permit from the State Department of Health should noise from construction activities exceed regulatory limits. The contractor will abide by the noise regulations incorporated into the permit.

Long term noise impact from the proposed development are expected to be minimal due to the nature of the proposed elderly rental apartment. As mentioned earlier, the increase in traffic is not expected to have a significant impact on the surrounding area.

I. Air Quality

Short term impacts on air quality are expected to be primarily related to dust generated by the construction activity. Dust will be generated in the course of excavating for foundations and utility lines. Dust control measures appropriate to the situation will be employed by the contractor, including where appropriate, the use of water wagons, erection of dust barriers and other methods for minimizing dust.

Due to the minimal impact from traffic projected for the development as discussed in the previous section on Noise, vehicular emissions will have minimal impact on the surrounding area.

J. Visual Impact

The proposed structure will have a finished height of about 72 feet which is well below the 150-foot height limit of this A-2 Medium Density Apartment District. The proposed development will not affect any important view planes in this area of Makiki/Lower Punchbowl. The visual impact of this particular structure will be an infilling of an A-2 Medium Density Apartment Use lot currently underutilized and surrounded by a mixture of commercial, residential and mid to high-rise apartments. As this and other underutilized A-2 Medium Density Apartment District lots are developed, the primary visual impact will be to existing nearby structures. However, since many of the existing nearby structures are high-rise apartment buildings, the proposed development will fall in the profile of these existing high rises. Looking at the enclosed photographs of the proposed location for Kinau Vista one can see the many high-rise apartment building throughout the surrounding area.

K. Hazards

The development site does not contain any nuisances, airport clear zones, or other features which would jeopardize its development.

V. MAJOR IMPACTS AND ALTERNATIVES CONSIDERED

As mentioned throughout this report the proposed elderly affordable rental apartment will not have a significant impact on the surrounding area in terms of public services and the environment.

Positive socio-economic impacts are projected with the provision of affordable housing, and increases in employment both short term and long term.

A. No Action

This alternative was considered and rejected due to the continuing negative cash flow that would result from payment of property taxes, maintenance cost and liability expenses for the vacant land.

B. Market Rental Project

This alternative was considered but would result in greater impacts to the surrounding neighborhood, primarily related to traffic.

The cost of construction and the cost of land make it un-feasible to develop a market rental development because market rental income will not be able to provide a reasonable return on the investment, and it could not be financed.

VI. MITIGATION MEASURES

Since impacts from the proposed development are not expected to be

significant, no extraordinary mitigation measures are planned. However, in order to minimize construction impacts of the development, the applicant's contractor will employ dust control measures where appropriate, including the use of water wagons, erection of barriers, and other methods for minimizing dust. The contractor will also be required to apply for a permit from the State Department of Health should noise from construction activities exceed regulatory limits. The contractor will abide by the noise regulations incorporated into the permit.

VII. GOVERNMENT PERMITS AND APPROVALS REQUIRED

The development will require the following governmental permits or approvals:

- 201G Permit Approval from the Honolulu City Council.
- Conditional Use Permit for Joint Development of two lots.
- Building Permits from the Department of Planning and Permitting, City and County of Honolulu.

VIII. SIGNIFICANCE CRITERIA

The following review of the significance criteria indicates that the development will not have a significant impact on the environment.

- No irrevocable commitment to loss or destruction of any natural or cultural resource would result.

The vacant development site is an urbanized lot that is

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mostly rock ground cover with overgrown shrubs and was previously developed.

The property is not listed on either the Hawaii or National Registers of Historic Places. With no previous record of historic or archaeological discoveries, the proposed development is not expected to have an impact on archaeological resources.

During the construction of the development, should any previously unidentified archaeological resources such as artifacts, shell, bone, or charcoal deposits, human burial, rock or coral alignments, pavings or walls be encountered, the applicant will stop work and contact the Historic Preservation Office for review and approval of mitigation measures.

- The action would not curtail the range of beneficial uses of the environment.

The proposed development will not curtail, but will instead enhance the range of beneficial uses of the environment. The present vacant property partially covered in asphalt is void of all natural landscaping, offering no beneficial use of the possible uses associated with the environment. With the development of the proposed Kinau Vista, landscaping and an irrigation system will be installed where none exist at the present time. The development site will provide much needed affordable elderly rental units to meet the growing housing demands of the elderly.

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- The proposed action does not conflict with the state's long-term environmental policies or goals and guidelines.

The State's environmental policies and guidelines are set forth in Chapter 344, Hawaii Revised Statutes, "State Environmental Policy". The broad policies set forth include conservation of natural resources and enhancement of the quality of life. As discussed earlier, the development does not adversely affect significant natural resources. With the proposed development, the existing vacant property is bare of any significant vegetation, for our seniors through the elderly provision of affordable rental units.

- The economic or social welfare of the community or state would not be substantially affected.

The development will give a temporary boost to the State's economy with the provision of short-term construction employment and related tax impacts, and a few long-term jobs in the form of a resident manager and a maintenance person.

The social welfare of the community would be positively affected by the development of this affordable elderly rental apartment building, to those in most need in our community. The Kinau Vista Affordable Elderly Rental Apartment Development will offer an attractive living environment to the elderly and in addition will offer lush landscaping and open

spaces, including a victory garden, all for the benefit of the elderly residents.

Residents in Kinau Vista will have a long term positive economic affect on businesses in the area, as a source of new customers.

- The proposed action does not substantially affect public health.

The proposed action will not affect public health. The proposed land use is compatible with the surrounding residential and commercial developments.

- No substantial secondary impacts, such as population changes or effects on public facilities, are anticipated.

As mentioned earlier under "Residential Population" of our Draft EA the General Plan Population Guidelines establish a population range for the Primary Urban Center Development Plan Area for the Year 2010 of between 450,800 and 497,800 persons. In 2000 the actual population for the Primary Urban Center was 419,339. The additional population supported by this development will help the Primary Urban Center in reaching the population range planned in the Year 2010.

The existing water system is adequate to accommodate the proposed apartment building, according to a BWS letter dated January 24, 2002 (Appendix III, Agency Comments).

A sewer connection application was approved for this development on January 17, 2002 by the Department of Planning and Permitting. (Appendix III, Agency Comments).

Julian Ng, Incorporated has prepared a traffic assessment report for the development. The Kinau Vista Elderly Apartment Development, when completed in the year 2003, will not affect the Level-of-Service (LOS) at the existing study intersections of Kinau Street and Piikoi Street during the weekday commuter hours. As a result, no capacity mitigating actions are required due to the proposed development.

- No substantial degradation of environmental quality is anticipated.

The development will not result in a substantial degradation of the environment. Only minimal impact is projected during the construction phase. The development will be built at or near existing grade. Excavation for the development should be limited to the footings and foundation of the structure. Dust control measures appropriate to the situation will be employed by the contractor, including where appropriate, the use of water wagons, erection of dust barriers and other methods for minimizing dust. Only minimal impact is projected during the construction phase of the proposed development.

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- The proposed action does not involve a commitment to larger actions, nor would cumulative impacts result in considerable effect on the environment.

The proposed development does not involve a commitment to larger actions nor will it result in cumulative impacts to the environment. The proposed Kinau Vista Affordable Elderly Rental Apartment will not generate future developments, creating a cumulative impact.

- No rare, threatened or endangered species or their habitats would be affected.

No rare, threatened, or endangered species or their habitats would be affected in the proposed development.

- Air quality, water quality or ambient noise levels would not be detrimentally affected.

Short term impacts on air quality are expected to be primarily related to dust generated by the construction activity. Dust will be generated in the course of excavating for foundations and utility lines. Dust control measures appropriate to the situation will be employed by the contractor, including where appropriate, the use of water wagons, erection of dust barriers and other methods for minimizing dust.

Short term noise impacts at construction sites are a normal result of construction activity. The State Department of Health administers rules and regulations relating to the hours during

which construction is permitted and the noise levels permitted during those hours. The contractor will be required to apply for a permit from the State Department of Health should noise from construction activities exceed regulatory limits. The contractor will abide by the noise regulations incorporated into the permit.

Long term noise impact from the proposed development are expected to be minimal due to the nature of the proposed elderly rental apartment.

Water quality would not be detrimentally affected by the proposed development. The Honolulu Board of Water Supply (BWS) currently provides potable water for the development site via an 12" line on Kinau Street or an 8' line on Piikoi Street. No off-site water improvements are needed to service the proposed development.

- The project would not affect environmentally sensitive areas, such as flood plains, tsunami zones, erosion-prone areas, geologically hazardous lands, estuaries, fresh waters or coastal waters.

The development site is in Zone X, an area determined to be outside the 500 year flood plain.

The development will not affect tsunami zones, erosion-prone areas, geologically hazardous land, estuaries, fresh water nor coastal waters.

- Substantially affects scenic vistas and view planes identified in county or state plans or studies.

The proposed development will not impact on important coastal views, since the eight story, approximately 72 feet high building is well below the 150-foot height limit of this A-2 Medium Density Apartment District. Visual impact of this particular structure will be an in filling of an A-2 Medium Density Apartment District surrounded by a mixture of commercial, residential and mid to high-rise apartments.

- Requires substantial energy consumption.

The Hawaiian Electric Company has existing power lines serving this area and the applicant will coordinate development of Kinau Vista to ensure that the power lines will be adequate to support the proposed rental apartment development. Normal energy consumption for an eight story building of this nature is anticipated. The apartment building will be designed to incorporate energy saving light fixtures, energy efficient split system air conditioning and energy efficient hot water heaters.

IX. LIST OF AGENCIES CONSULTED

The applicant has prepared responses to each of the comments received during the agency and public review period for the Draft Environmental Assessment. Copies of the agency and public comment letters and the

Final Environmental Assessment
Kinau Vista An Affordable Elderly Rental Development

applicant's response are included in Appendix X.

DRAFT EA DISTRIBUTION LIST:

State:

- 1) Department of Transportation
- 2) McCully/Moiliili State Library
- 3) Department of Land and Natural Resources,
Historic Preservation Division
- 4) Office of Environmental Quality Control

City and County of Honolulu:

- 5) Department of Transportation Services
- 6) Department of Community Services
- 7) Department of Environmental Services
- 8) Honolulu Fire Department
- 9) Department of Parks and Recreation
- 10) Department of Planning and Permitting
- 11) Board of Water Supply
- 12) Honolulu Police Department
- 13) Makiki District Library (City)

Others:

- 14) Makiki/Lower Punchbowl/Tantalus Neighborhood Board #10

X. AGENCY DETERMINATION

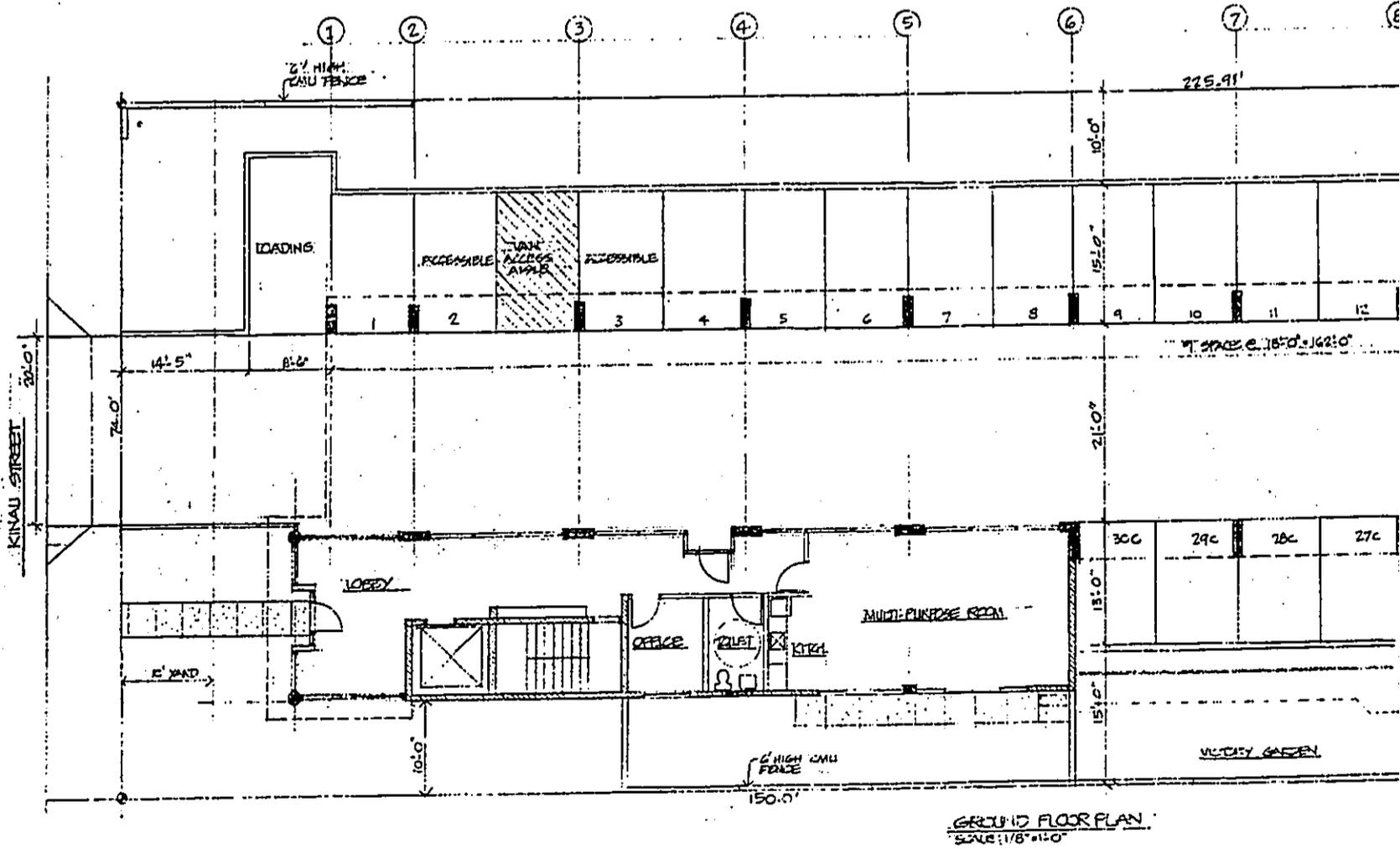
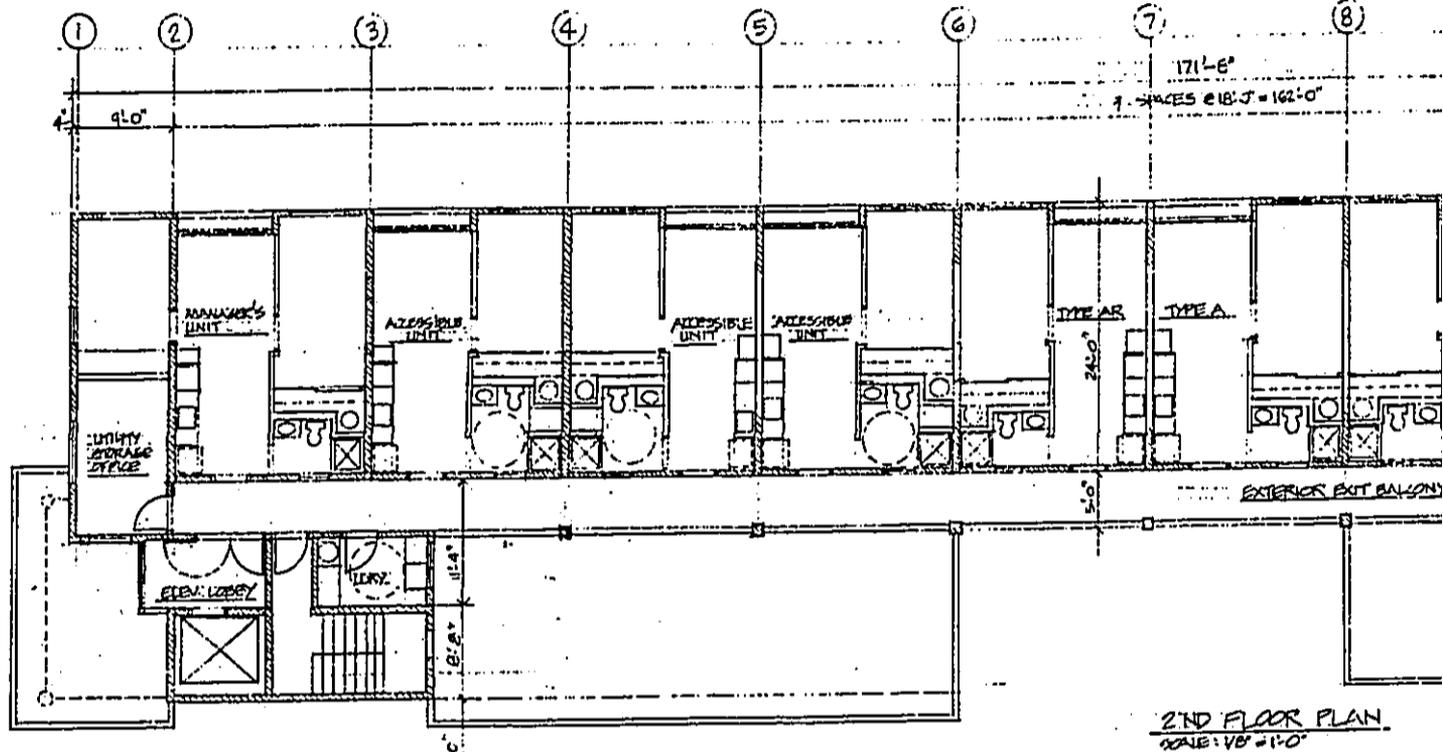
Based on the foregoing report and a review of the significance criteria set forth in Chapter 11-200, Hawaii Administrative Rules, the Housing and Community Development Corporation of Hawaii has determined that the

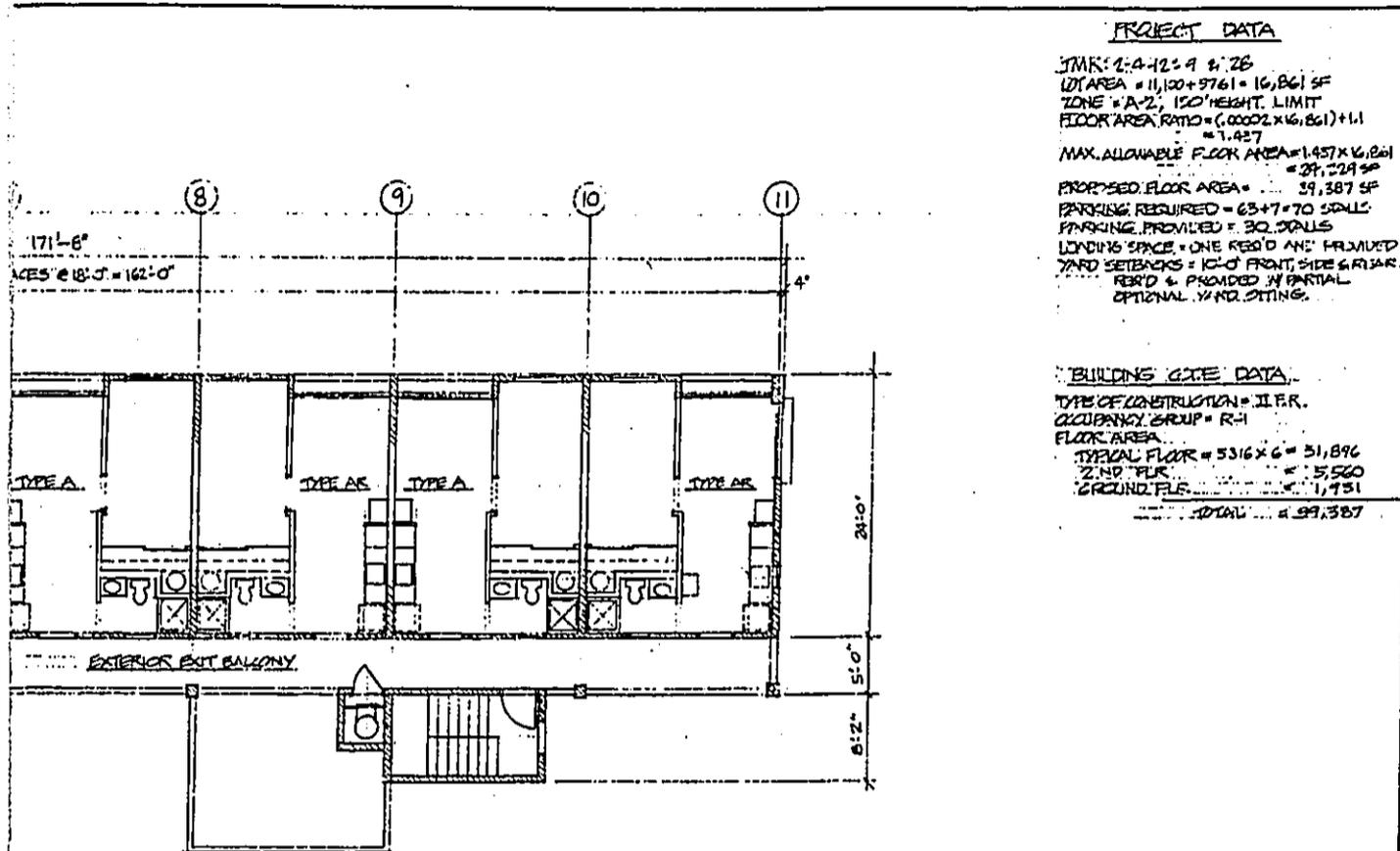
Final Environmental Assessment
Kinau Vista An Affordable Elderly Rental Development

proposed affordable elderly project will not have a significant impact on the environment. As such, a Finding of No Significant Impact (FONSI) will be issued.

APPENDIX I

**RENDERING, SITE PLAN, FLOOR PLAN,
ELEVATIONS AND LANDSCAPING**





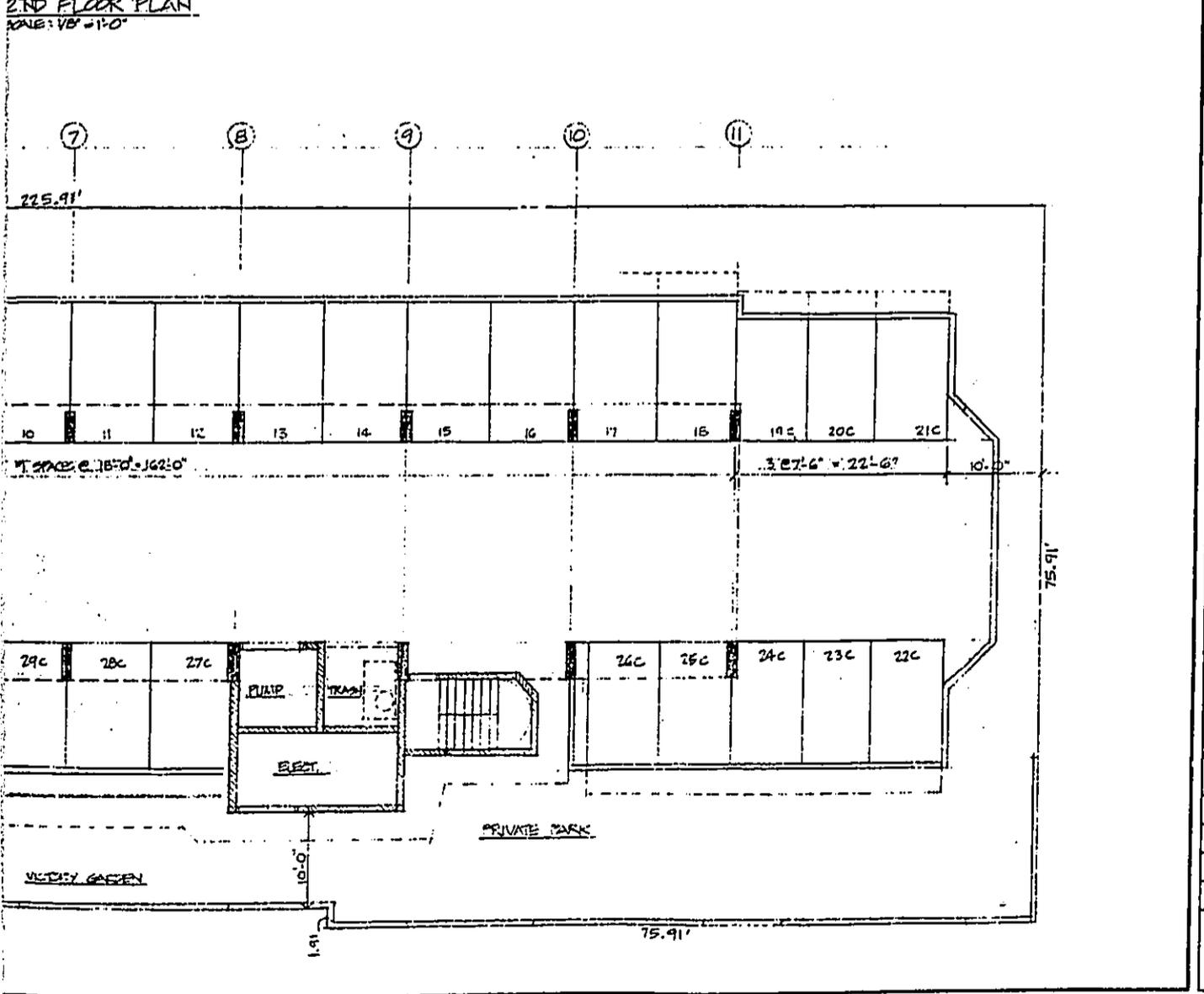
PROJECT DATA

STAR: 2-4-23-9 & 2B
 LOT AREA = 11,100 + 5761 = 16,861 SF
 ZONE = A-2, 150' HEIGHT LIMIT
 FLOOR AREA RATIO = (0.0002 x 16,861) + 1.1
 = 1.427
 MAX. ALLOWABLE FLOOR AREA = 1.427 x 16,861
 = 24,129 SF
 PROPOSED FLOOR AREA = 39,387 SF
 PARKING REQUIRED = 63 + 7 = 70 SPACES
 PARKING PROVIDED = 30 SPACES
 LOADING SPACE = ONE REAR AND PROVIDED
 YARD SETBACKS = 10'-0" FRONT, SIDE & REAR.
 REAR & PROVIDED IN PARTIAL
 OPTIONAL YARD SETTING.

BUILDING CODE DATA

TYPE OF CONSTRUCTION = II F.R.
 OCCUPANCY GROUP = R-1
 FLOOR AREA
 TYPICAL FLOOR = 5316 x 6 = 31,896
 2ND FLR = 5,500
 GROUND FLS = 1,751
 TOTAL = 39,387

REVISIONS	BY
8/23/02	
9/9/02	



KINAU VISTA
 1150 KINAU STREET
 HAWAII, HAWAII

GROUND FLOOR PLAN, 2ND FLOOR PLAN

Date: 1/22/02

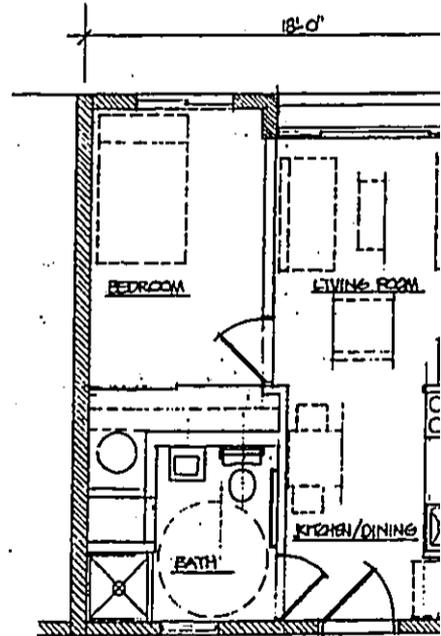
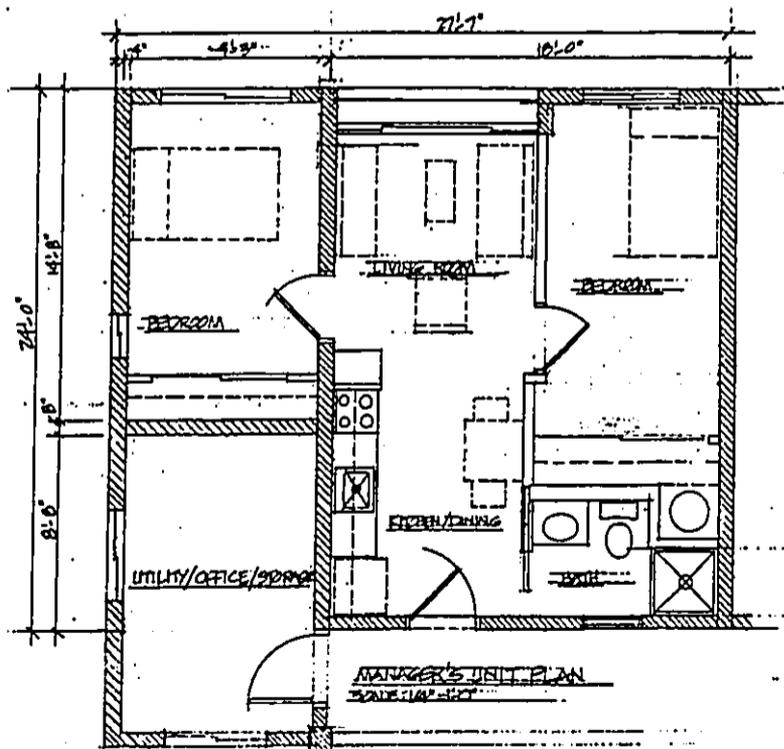
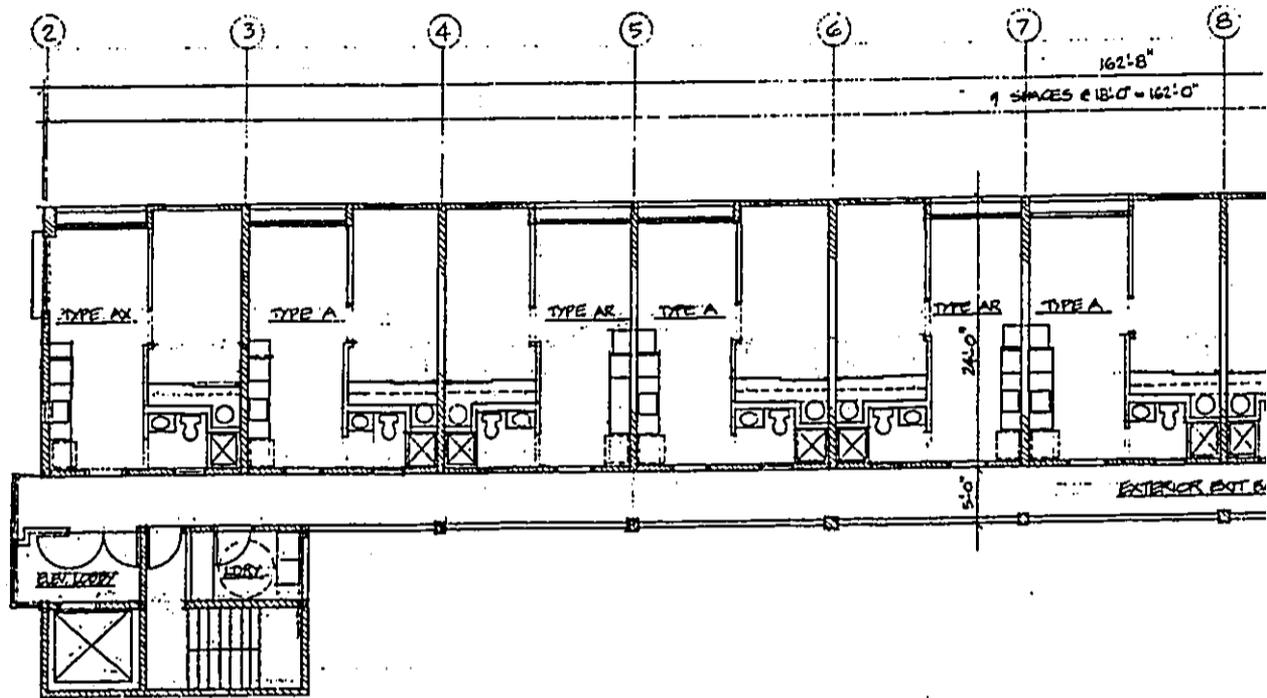
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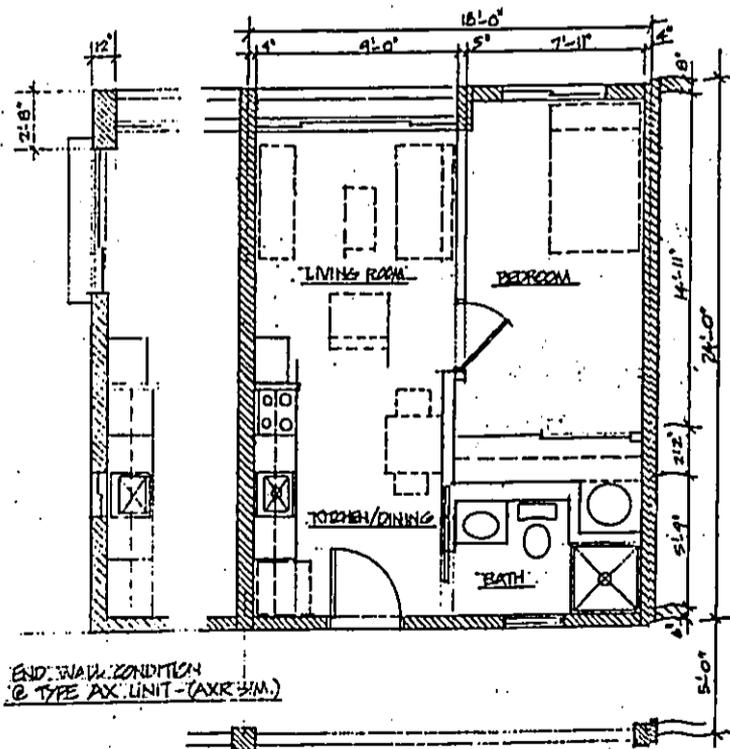
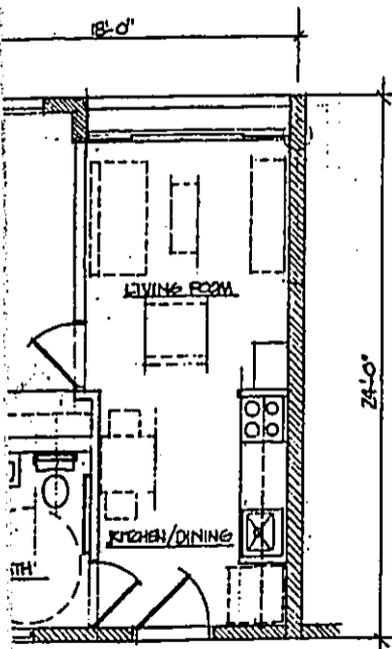
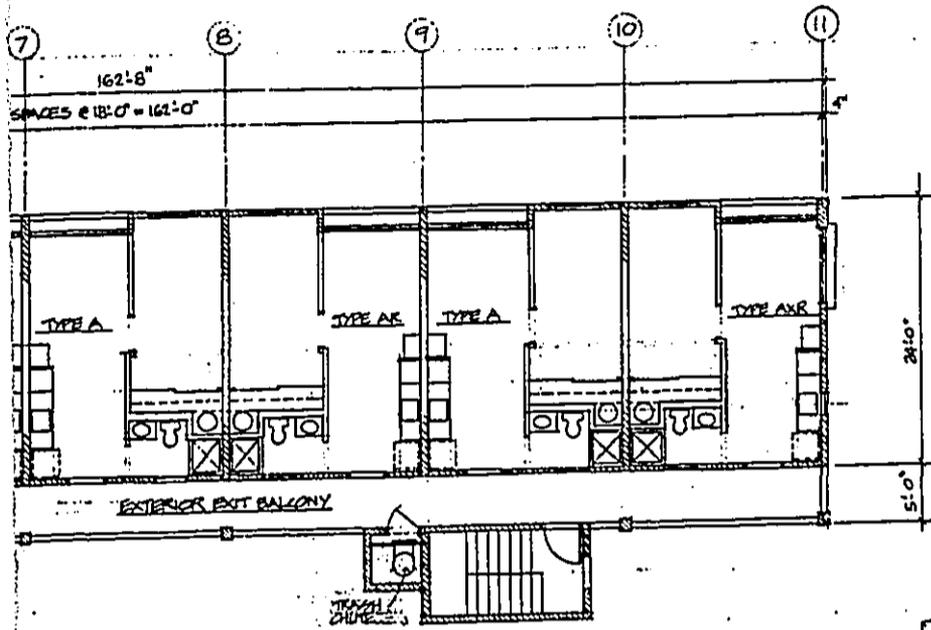
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ACCESSIBLE UNIT PLAN
SCALE: 1/4" = 1'-0"

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TYPE A UNIT PLAN
 SCALE: 1/4" = 1'-0"
 TYPE AX IS SIMILAR BUT REVERSE.

REVISIONS	BY
8/23/02	
9/9/02	

KIMBLE VESTA
 1150 KONA STREET
 HONOLULU, HAWAII

TYPICAL FLOOR PLAN, UNIT PLANS

Date 1/22/02

Scale

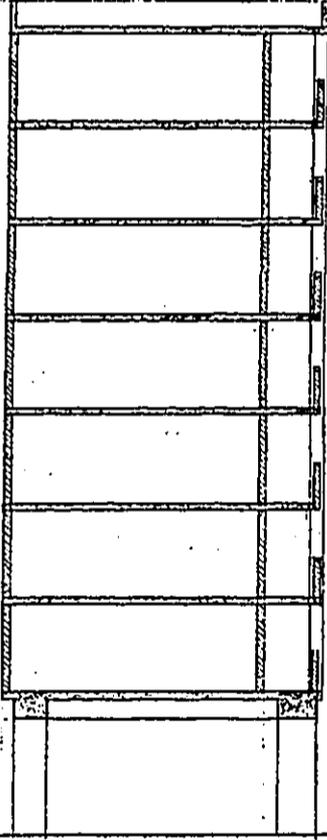
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Job

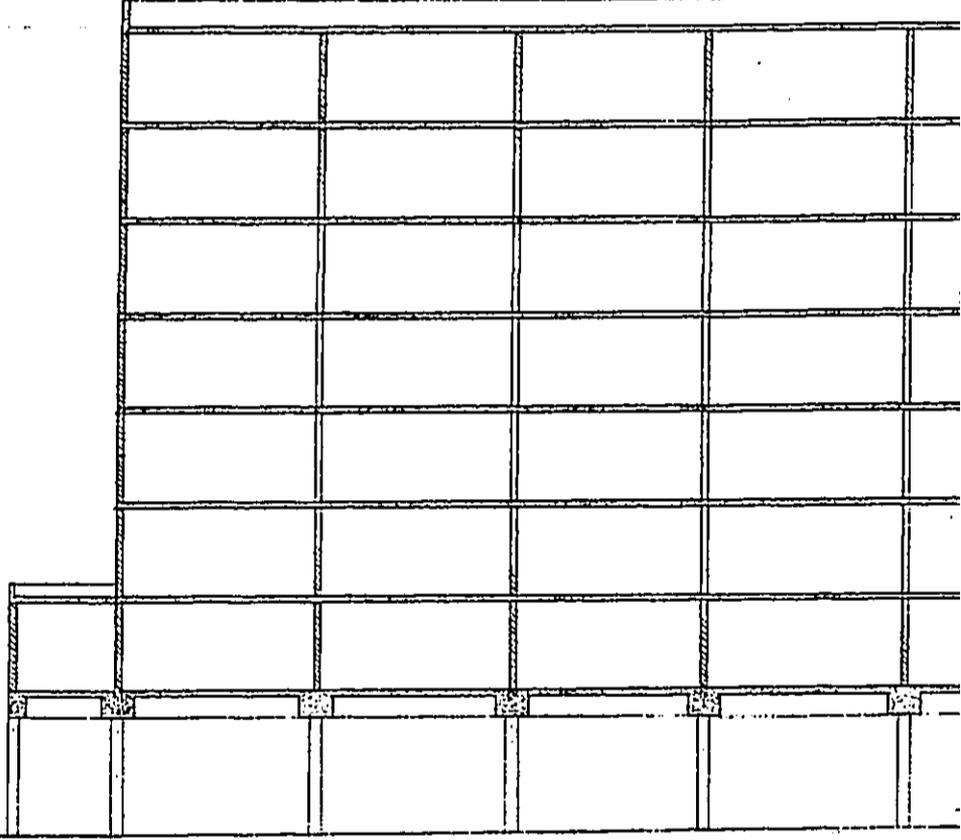
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Of 2 Sheets

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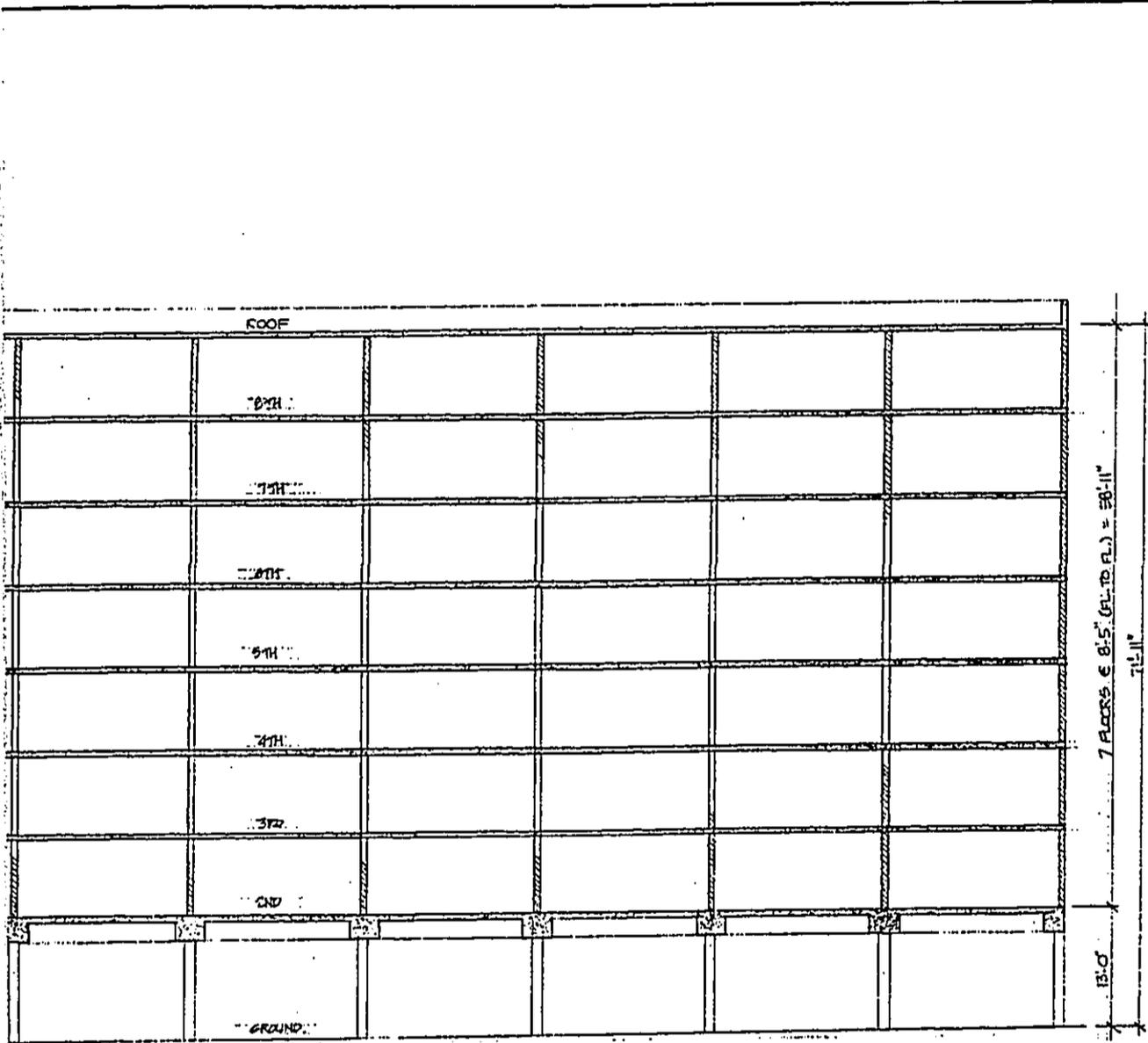


CROSS SECTION
SCALE: 1/8" = 1'-0"



LONGITUDINAL SECTION
SCALE: 1/8" = 1'-0"

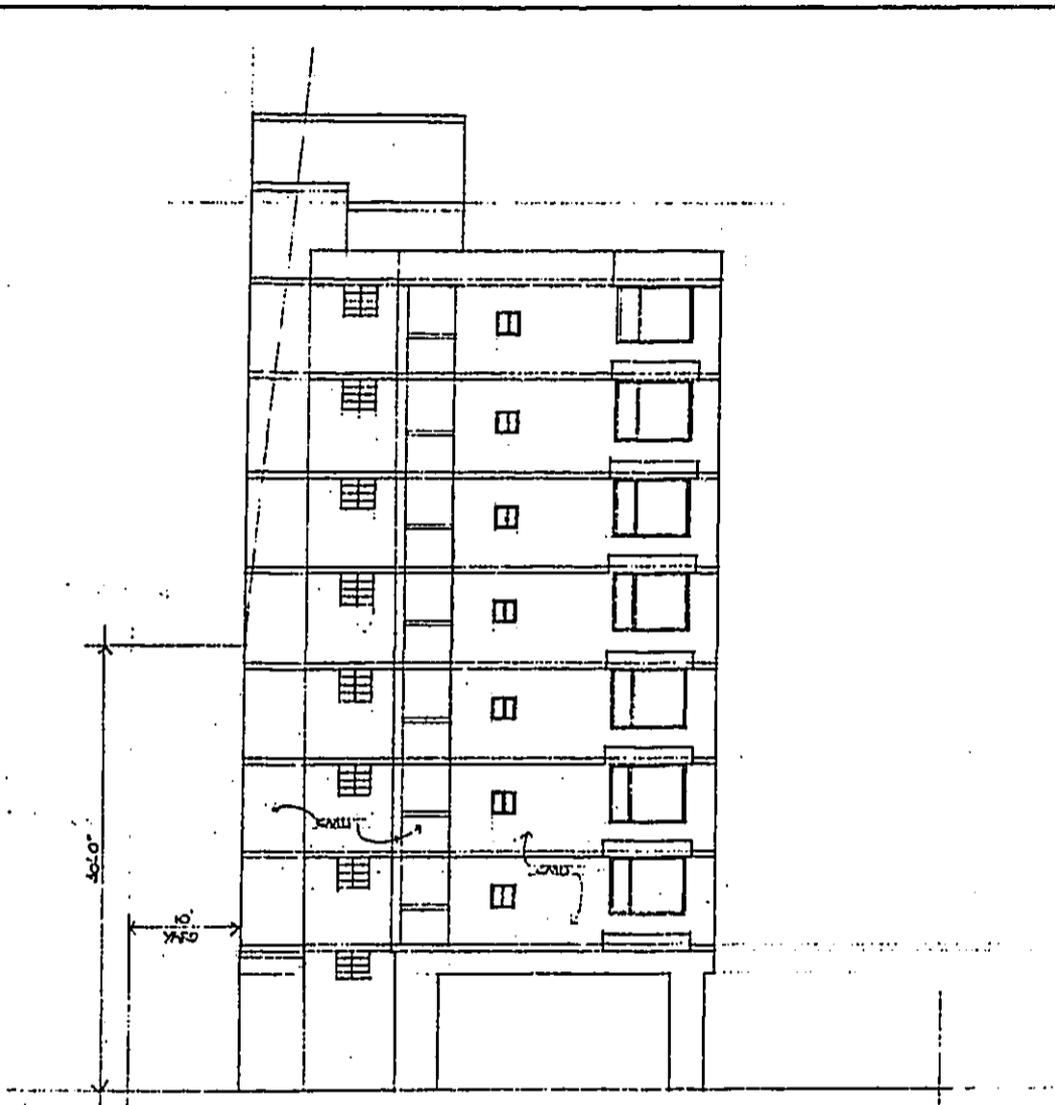
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LONGITUDINAL SECTION
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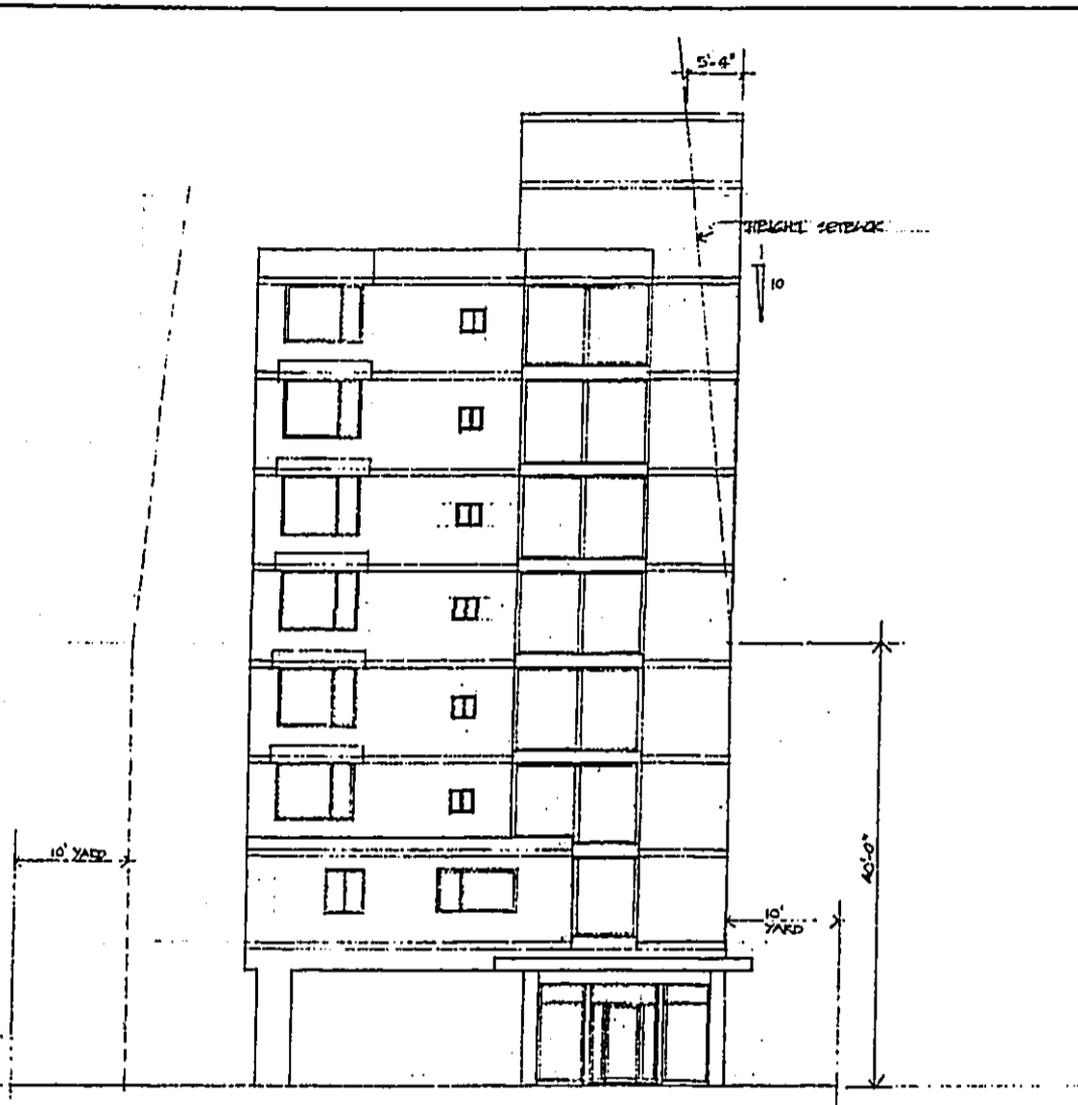
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8/23/02	

KINAU VISTA 1150 KINAU STREET HONOLULU, HAWAII BUILDING SECTIONS	
Date	1/22/02
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Of	5 Sheets



NORTH ELEVATION
SCALE: 1/8" = 1'-0"

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SOUTH ELEVATION (KINAU STREET)
SCALE: 1/8" = 1'-0"

REVISIONS	BY
7/12/02	
8/23/02	
7/7/02	

KINAU VISTA
1150 KINAU STREET
HONOLULU, HAWAII
EXTERIOR ELEVATIONS

Date 1/22/02

Scale

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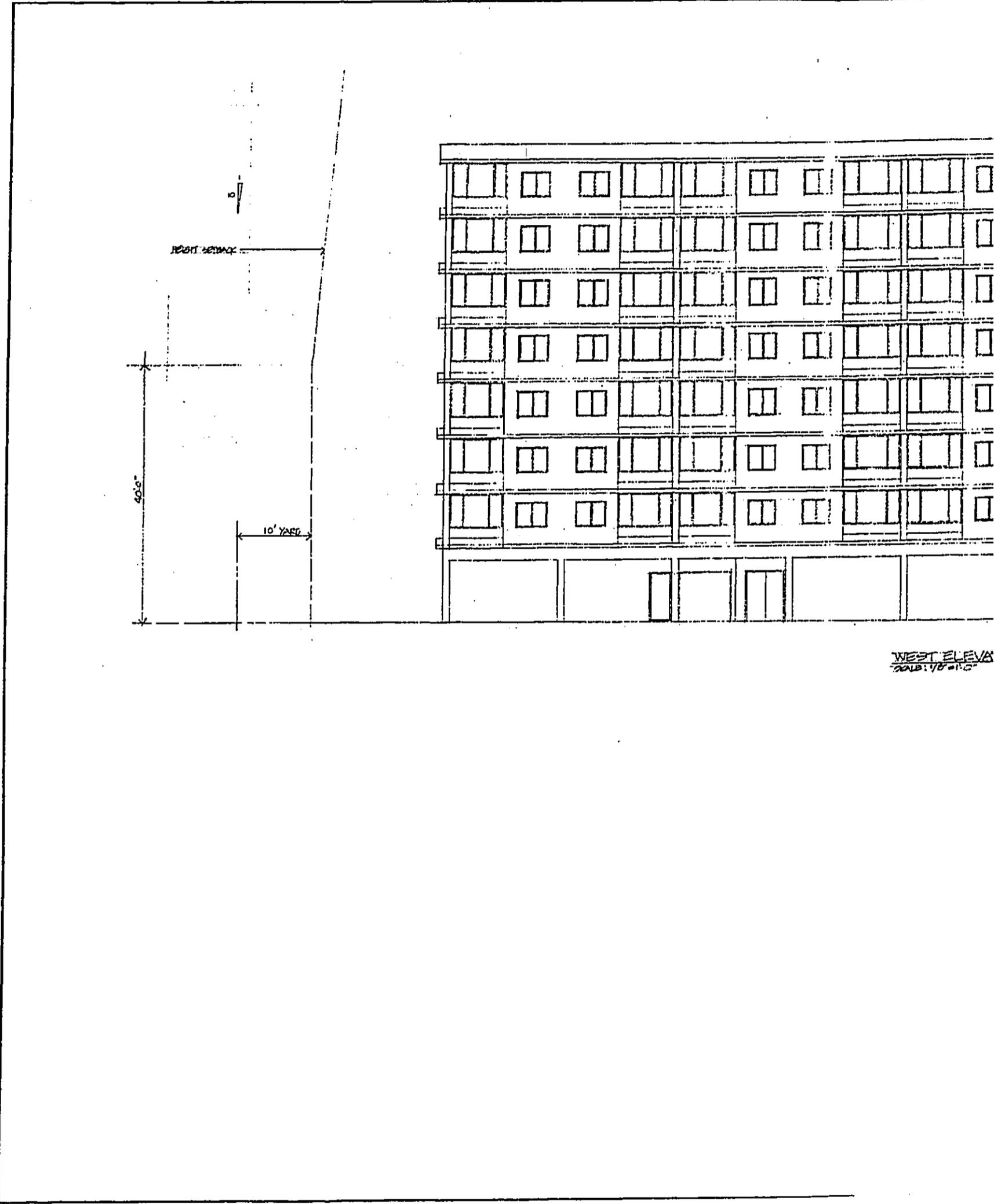
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Of 6 Sheets

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WEST ELEVATION
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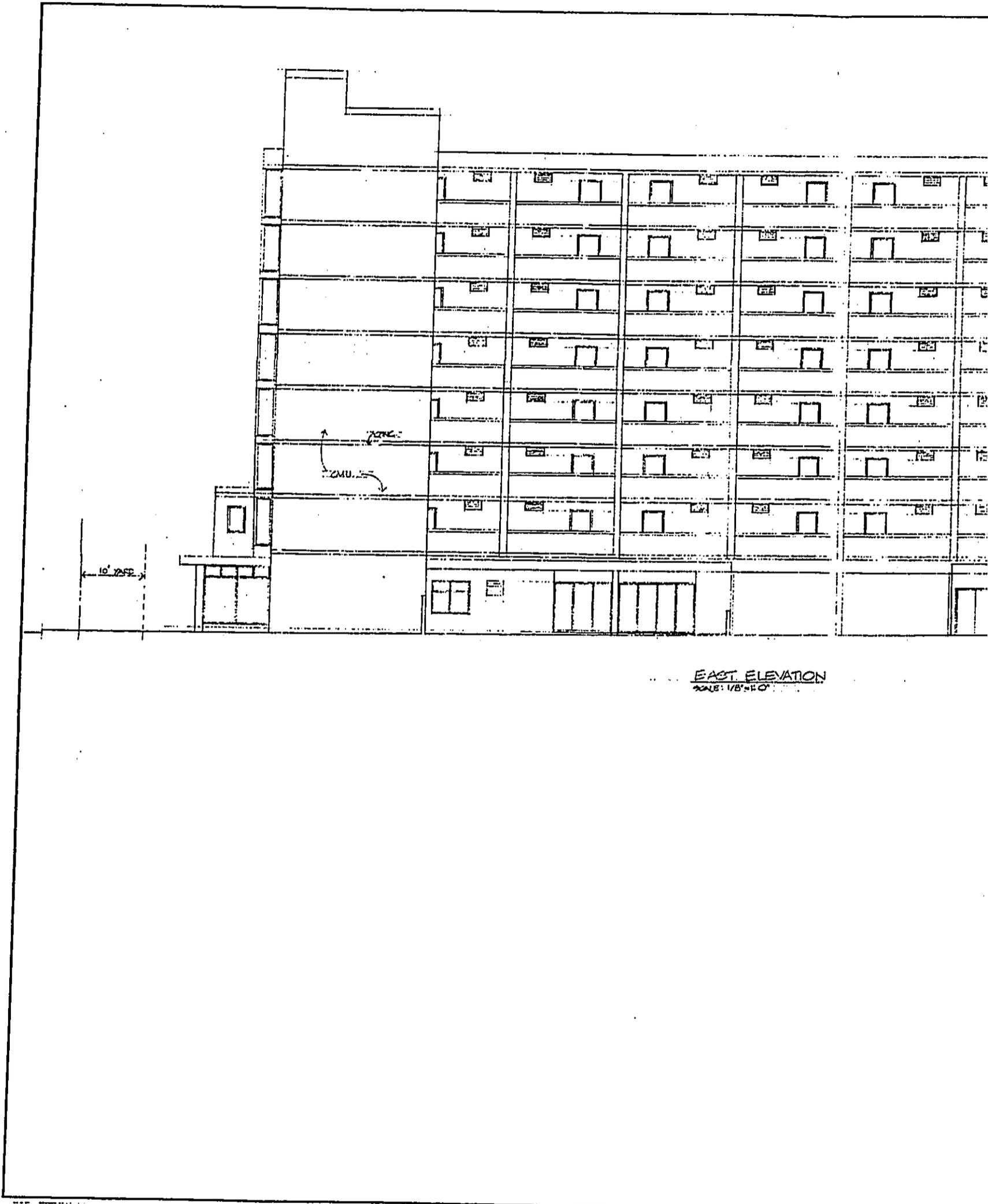
WEST ELEVATION
SCALE: 1/8" = 1'-0"

REVISIONS	BY
7/12/02	
8/23/02	
9/9/02	

KINAJU VIZITA
1150 KINAJU STREET
HONOLULU, HAWAII
EXTERIOR ELEVATION

Date 1/20/02
Scale
Drawn
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5
Of 6 Sheets

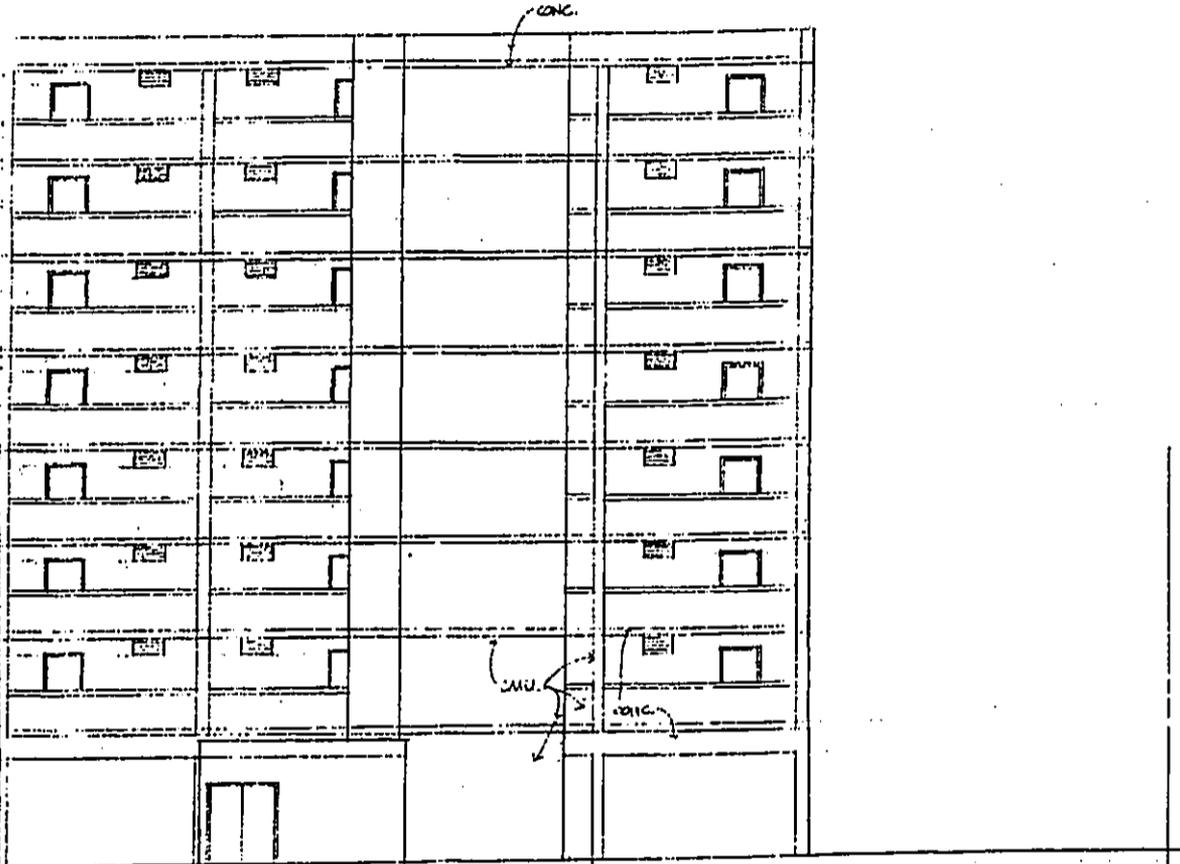
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EAST ELEVATION
SCALE: 1/8" = 1'-0"

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7/12/02	
8/23/02	
1/9/02	



KINKAJI VISTA
 1150 KINKAJI STREET
 HONOLULU, HAWAII
 EXTERIOR ELEVATION

Date 1/22/02

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6

Of 6 Sheets

APPENDIX II
TRAFFIC ASSESSMENT

Julian Ng, Incorporated

Transportation Engineering Consultant

P. O. Box 816
Kaneohe, Hawaii 96744-0816

phone: (808) 236-4325
fax: (808) 235-8869
email: jngpe@lava.net

March 15, 2002

Mr. Gary S. Furuta
Hawaii Housing Development Corporation
725 Kapiolani Boulevard, Suite C-103
Honolulu, Hawaii 96813

Subject: Traffic Assessment – Kinau Street Apartments development
TMK: 1-2-4-12: 9 and 28

Dear Gary:

Summary: The proposed development will have minimal impact to traffic conditions on Kinau Street and the surrounding area. The proposed development is estimated to have a daily impact of about 220 vehicle trips (total of entering and exiting) on a typical weekday. Highest hourly volume in one direction (entering or exiting) is estimated to be less than 10 vehicles per hour, compared with the guideline suggested by the Institute of Transportation Engineers that "a traffic access/impact study be conducted whenever a proposed development will generate 100 or more *added* (new) peak direction trips to or from the site during the adjacent roadways' peak hours or the development's peak hour." (*from Traffic Access and Impact Studies for Site Development, A Recommended Practice, 1991*)

Introduction: The remainder of this letter details the findings of a traffic assessment of the development. The proposed development consists of a mid-rise building containing 62 rental apartments (one-bedroom) for senior citizens and a two-bedroom apartment for a resident manager. Thirty parking stalls will also be provided at ground level. A single driveway at the site frontage to Kinau Street will be used for vehicular ingress and egress.

Existing Traffic Conditions: Kinau Street is a four-lane minor arterial carrying one-way eastbound (kokoheadbound) traffic. While apartment buildings and single family dwellings are the predominate uses along the street, the Queen Kaahumanu Elementary School is located opposite the development site on the south (makai) side of the street. Parallel parking is permitted on both sides of the street; however, there are restrictions during the afternoon peak period to open all lanes to traffic.

The development site is located near the signalized intersection of Kinau Street and Piikoi Street in Honolulu, Hawaii. The Kinau Street approach consists of four lanes. The first lane (left curb lane) is used for left turns to Piikoi Street only. The second lane is an option lane for left turns and through traffic remaining on Kinau Street. The third and fourth lanes carry through traffic only. Drivers turning left use the curb lane if they are destined for Lunalilo Street. Drivers wishing to enter the H-1 Freeway eastbound or to continue mauka on Piikoi Street would use the second lane.

Julian Ng, Incorporated

Mr. Gary S. Furuta.
Page 2 of 4
March 15, 2002

Piikoi Street is also a four-lane one-way street. All four lanes are for through traffic only at the approach to Kinau Street; an additional lane provided at this approach is used for right turns only. Existing traffic conditions at the intersection are best described as congested during peak traffic hours and not much better at other times. The congestion, which occurs primarily on Piikoi Street, is caused by high traffic demand wishing to enter the H-1 Freeway westbound and the resulting traffic congestion along Lunalilo Street (one block away).

As a result, most drivers on Piikoi Street select the lane based on the destination one or two blocks away. Drivers wishing to access the Makiki Post Office or to other destinations south of Lunalilo Street use the first (left) lane. The second lane leads directly into the lane that feeds the westbound on-ramp to the freeway and carries the most traffic. The third lane leads to an option lane at the Lunalilo Street intersection one block away; drivers can turn left onto Lunalilo Street or continue straight ahead on Piikoi Street. Traffic on Piikoi Street wishing to enter the freeway eastbound uses the fourth lane.

Peak period traffic counts were taken in the spring of 1999 at the intersection of Kinau Street and Piikoi Street as part of the data collection effort for a study of alternatives for freeway access for the State Highways Division. Peak hourly volumes recorded were:

		<u>Lane 1</u>	<u>Lane 2</u>	<u>Lane 3</u>	<u>Lane 4</u>	<u>Lane 5</u>
AM Peak Hour	Kinau Street	85	505	335	35	
	Piikoi Street	40	490	440	325	65
PM Peak Hour	Kinau Street	145	635	560	10	
	Piikoi Street	135	520	725	675	50

One measure of an intersection's operating condition is the sum of critical movements. This measure considers the conflicting volumes at a signalized intersection on a per-lane basis; the criteria for intersection conditions are:

<u>Critical Volume sum</u> <u>(vehicles per hour)</u>	<u>Relationship to</u> <u>Probable Capacity</u>
0 to 1,200	Under Capacity
1,201 to 1,400	Near Capacity
≥ 1,400	Over Capacity

Source: *Highway Capacity Manual (1985)*

Existing conditions, assuming peak hour volumes have not changed since 1999, are:

	<u>Critical Sum</u>	<u>Capacity Condition</u>
AM Peak Hour	995	Under Capacity
PM Peak Hour	1,360	Near Capacity

Julian Ng, Incorporated

Mr. Gary S. Furuta.
Page 3 of 4
March 15, 2002

Development Impact to Traffic: Driveway volumes generated by the proposed development were computed with factors from the widely-used *Trip Generation* report published by the Institute of Transportation Engineers. The factors and the traffic estimates for the proposed development are:

	<u>from Trip Generation</u>		<u>Driveway volume</u>	
	<u>factor</u>	<u>% enter</u>	<u>Enter</u>	<u>Exit</u>
Average Weekday Traffic				
63 units, elderly housing-attached	3.48	50%	108	108
1 unit, apartments	6.63	50%	3	3
Total development	-	-	111	111
AM Peak Hour				
63 units, elderly housing-attached	0.07	63%	3	1
1 unit, apartments	0.51	16%	0	1
Total development	-	-	3	2
PM Peak Hour				
63 units, elderly housing-attached	0.10	59%	4	2
1 unit, apartments	0.62	67%	0	1
Total development	-	-	4	3

The site peak hour volume (highest volume in one hour) would be about 9% of the daily volume, or 10 vehicles per hour. This volume is one-tenth of the volume usually associated with the increase needed in one lane to change an intersection's level of service by one level. This maximum impact of 10 vehicles per hour in one direction is substantially less than the "100 or more *added* (new) peak direction trips to or from the site during the adjacent roadways' peak hours or the development's peak hour" that is recommended by the Institute of Transportation Engineers for conducting a traffic study (*from Traffic Access and Impact Studies for Site Development, A Recommended Practice, 1991*).

The additional peak hour traffic can be expected to use more than one lane on Kinau Street, since the destinations will probably be varied. Even if all of the site traffic were to use the lane with the highest existing volume, the development impact would be to increase the intersection critical volume sums from 955 to 957 (AM Peak Hour) and 1,360 to 1,363 (PM Peak Hour). In either case, the critical sum changes less than one-third of one percent and the overall conditions do not change.

Parking Provision: The proposed development will provide off-street parking at an approximate rate of 0.48 parking spaces per apartment. The 1987 report *Parking Generation* by the Institute of Transportation Engineers shows an average rate of 0.27 peak parking spaces occupied per dwelling unit for Senior Citizen Multi-Family Residential use (range of

Julian Ng, Incorporated

Mr. Gary S. Furuta.
Page 4 of 4
March 15, 2002

rates 0.11 to 0.48). In addition, on-site parking for other similar developments in urban Honolulu is:

<u>Development & Location</u>	<u>Total Units</u>	<u>Parking Provided</u>	<u>Ratio (spaces/unit)</u>
Kalunihua, Aala Park	151	42	0.28
Makamae, Nuuanu	124	27	0.22
Paoakalani, Kalakaua	150	28	0.19
Midrise, Kalakaua	123	40	0.33
Kapunai, Liliha	162	57	0.35
Manoa Gardens, Manoa	80	40	0.50
King Street Apartments	91	42	0.46
Artesian Vista, McCully	54	24	0.44
Kalakaua Vista	81	37	0.46

The parking provided by this development (0.48 parking spaces per dwelling unit) should be adequate for the use proposed (rental apartments for the elderly).

Pedestrian Access: Pedestrian access will be provided from Kinau Street. Concrete sidewalks exist on both sides of Kinau Street, as well as on other streets in the area. Marked crosswalks are provided at signalized intersections (except that pedestrian crossing is prohibited across the mauka leg of Piikoi Street at Kinau Street, due to potential conflict with the left turns).

The nearest bus stop is located on Beretania Street, approximately two blocks from the site. The shortest walking path between the development site and the bus stop includes one street crossing at a traffic signal with no conflicting traffic turning over the crosswalk.

Conclusion: The proposed development, therefore, would have minimal impact to traffic and adequate access can be provided. Attached are recent photographs of the site frontage and the approaches to the intersection of Kinau Street and Piikoi Street. Should you have any questions, please contact me at 236-4325 (fax 235-8869, email: jngpe@lava.net).

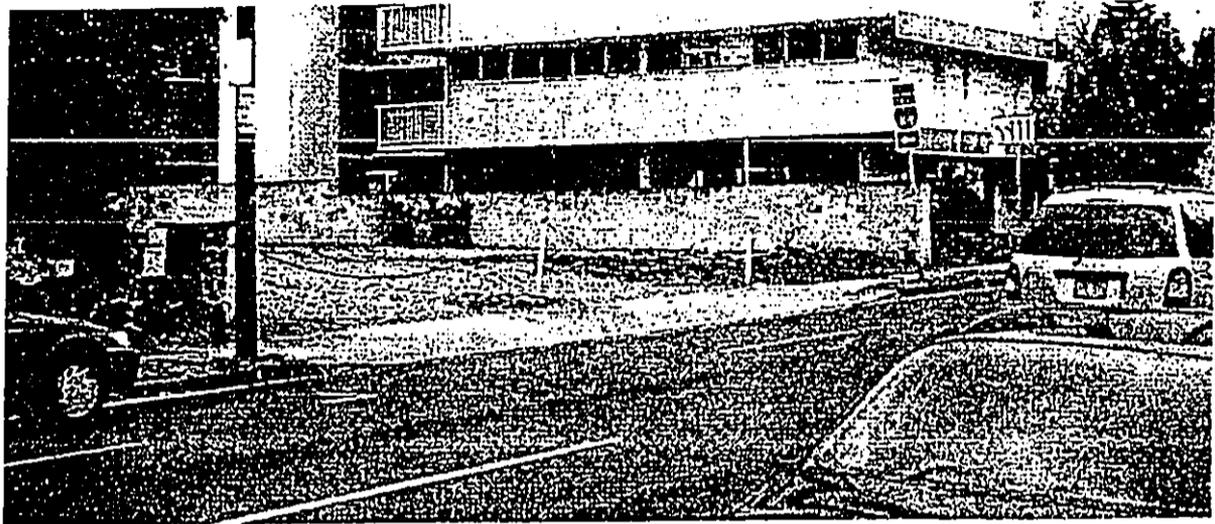
Sincerely,

JULIAN NG, INCORPORATED

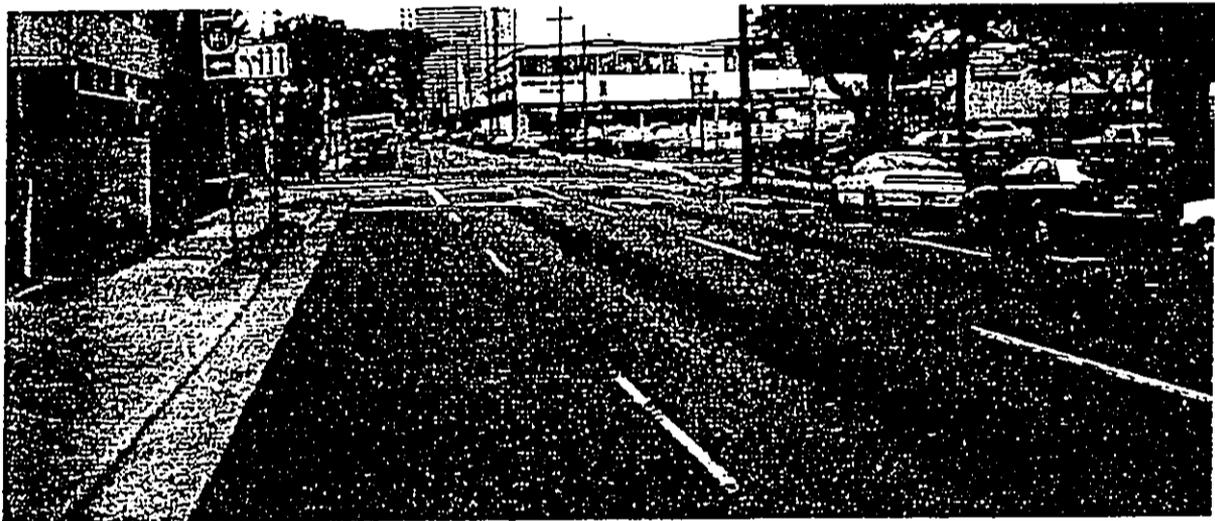

Julian Ng, P.E., P.T.O.E.
President

Attachment (photos)

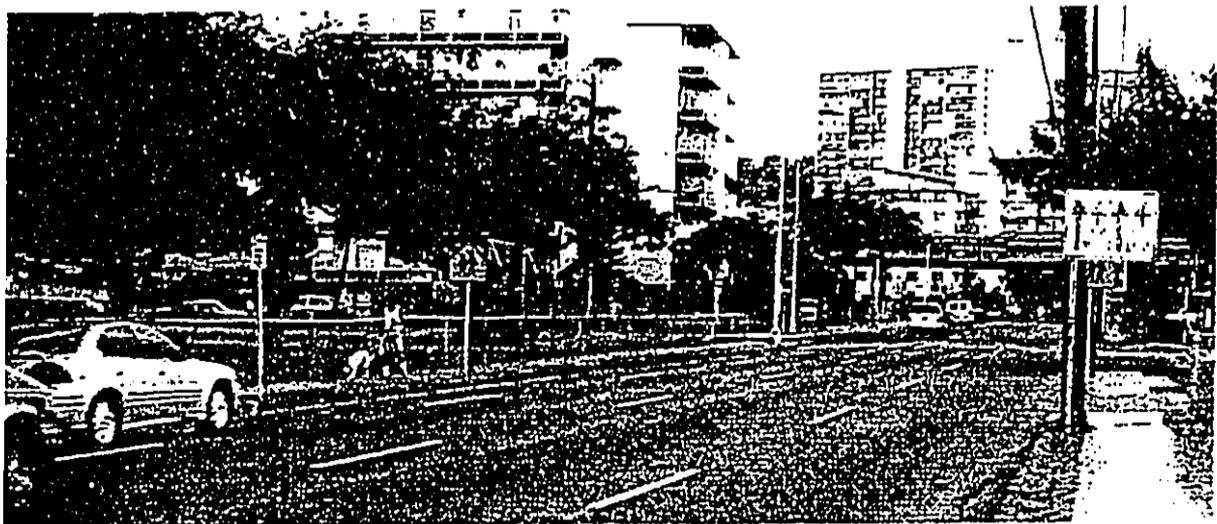
KINAUSTAPTSE.DOC



Site Frontage on Kinau Street



Kinau Street approach at Piikoi Street



Piikoi Street approach at Kinau Street

APPENDIX III
AGENCY COMMENTS PRIOR TO DRAFT EA

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BOARD OF WATER SUPPLY

GITY AND COUNTY OF HONOLULU
630 SOUTH BERETANIA STREET
HONOLULU, HI 96843



January 24, 2002

JEREMY HARRIS, Mayor

EDDIE FLORES, JR., Chairman
CHARLES A. STED, Vice-Chairman
JAN M.L.Y. AMII
HERBERT S.K. KAOPUA, SR.
BARBARA KIM STANTON

BRIAN K. MINAAI, Ex-Officio
ROSS S. SASAMURA, Ex-Officio

CLIFFORD S. JAMILE
Manager and Chief Engineer

Mr. Kazutoshi Yato, AIA
Kazu Yato, AIA and Associates
2033 Round Top Terrace
Honolulu, Hawaii 96822

Dear Mr. Yato:

Subject: Your Letter of January 18, 2002 Regarding Water Availability for a Proposed
8-Story Apartment Development, TMK: 2-4-012: 9 and 28, Kinau Street

Thank you for your letter regarding water service for the proposed 63-unit high rise development in Honolulu.

The existing water system is presently adequate to accommodate the proposed development.

The availability of water will be confirmed when the building permit is submitted for our review and approval. If the development plan requires action by the Department of Planning and Permitting (DPP), the plan should be approved by DPP before we take action on the proposed development. When water is made available, the applicant will be required to pay our Water System Facilities Charges for resource development, transmission, and daily storage.

If you have any questions, please contact Joseph Kaakua at 527-6123.

Very truly yours,

for CLIFFORD S. JAMILE
Manager and Chief Engineer



DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU
 650 SOUTH KING STREET * HONOLULU, HAWAII 96813
 Phone: (808) 527-5827 * Fax: (808) 547-7316

SEWER CONNECTION APPLICATION

APPLICATION NO.: 2002/SCA-0027

STATUS: Approved with conditions

\$42,516.60

DATE RECEIVED: 01/16/2002

IWDP APP. NO.:

Wastewater System
Facility Charge

PROJECT NAME: Kinau Street Apartments / Dwelling Unit

LOCATION:

Zone	Section	Plat	Parcel
2	4	012	009
2	4	012	026

1150 - KINAU ST 11,100 Sq. Ft.

1320
1320 - PIIKOI ST 10,809 Sq. Ft.

028 **SPECIFIC LOCATION: 1150 Kinau St/1320 Piikoi St**

APPLICANT: Advanced Engineering Technology, Gerald T. Hieda
 2657 Waolani Avenue Suite A
 Honolulu, HI 96817

DEVELOPMENT TYPE: Dwelling, Multi-family

SEWER CONNECTION WORK DESIRED: New

OTHER USES:

NON-RESIDENTIAL AREA: s.f.

APPROXIMATE DATE OF CONNECTION: 01/16/2003

PROPOSED UNITS	EXISTING UNITS	UNITS TO BE DEMOLISHED
No. of New Units: 63	No. of Existing Units: 10	No. of Units to be Demolished: 10
Studios:	Studios:	Studios:
1-Bedroom: 63	1-Bedroom:	1-Bedroom:
2-Bedroom:	2-Bedroom:	2-Bedroom:
3-Bedroom:	3-Bedroom:	3-Bedroom:
4-Bedroom:	4-Bedroom:	4-Bedroom:
5-Bedroom:	5-Bedroom:	5-Bedroom:
6-Bedroom:	6-Bedroom:	6-Bedroom:

REMARKS Provided connection is made to either 8-inch sewer line in Piikoi Street through a new private sewer easement through Tax Map Key:2-4-012:027, or to 8-inch sewer line in Papaku Place through a new private sewer easement through Tax Map Key:2-4-012:026.

APPROVAL DATE: 01/17/2002

Valid 2-years after approval date. Construction plans shall be completed and approved within this 2-year period. Construction shall commence within 1-year after approval of plans.

EXPIRATION DATE: 01/17/2004

REVIEWED BY: Arturo Saavedra Jr.

A. Saavedra Jr.

Site Development, Division, Waste Water Branch



MAKIKI/LOWER PUNCHBOWL/TANTALUS NEIGHBORHOOD BOARD NO. 10

c/o NEIGHBORHOOD COMMISSION • CITY HALL, ROOM 400 • HONOLULU, HAWAII 96813

**REGULAR MEETING AGENDA
THURSDAY, MARCH 21, 2002
MAKIKI DISTRICT PARK – ARTS & CRAFTS ROOM
7:15 P.M.**

RECEIVED
CITY CLERK
C/O OF HONOLULU
MAR 14 1 13 PM '02

- I. CALL TO ORDER
- II. APPROVAL OF REGULAR MEETING MINUTES FOR FEBRUARY 21, 2002
- III. FILLING OF VACANCY
 - A. Two seats, sub district 2: Area bounded by Wilder Ave., Punahou St., South King St., Ward Ave., H-1 freeway and Pensacola St.
- IV. COMMUNITY CONCERNS
 - A. Honolulu Fire and Police Department
 - B. Residents' Concerns
 - C. Department of Parks and Recreation
 - D. Board of Water Supply
 - E. Network of Neighborhood Boards
 - 1. Sidewalks
 - 2. Makiki Stream
 - 3. Watershed Projects
 - 4. Manoa, Makiki, Moili'ili Regional Plan
- V. ELECTED OFFICIALS
- VI. MAYOR'S REPRESENTATIVE
- VII. GOVERNOR'S REPRESENTATIVE
- VIII. TREASURER'S REPORT
- IX. UNFINISHED BUSINESS
 - A. Update of Kalawahine 180 reservoir
 - B. Makiki Town Center/Wilder Avenue Revitalization Project
 - C. Neighborhood Board/Vision Team CIP Projects
 - D. Punahou Vista
 - E. Makiki/Tantalus Recreation Area
 - F. Pawaa Park
 - G. Primary Urban Center Development Plan
 - H. Underground Lines on Wilder Avenue
 - I. Change of Bus Route #4
 - J. Joint Neighborhood Board meeting/discussion with surrounding Boards



Oahu's Neighborhood Board System - Established 1973

MAKIKI/LOWER PUNCHBOWL/TANTALUS
NEIGHBORHOOD BOARD NO.10
REGULAR MEETING AGENDA
THURSDAY, MARCH 21, 2002
PAGE 2

- K. Proposed changes for Neighborhood Board No. 10
- L. Improvements to parking lot at 710 Green St. – Easter Seals
- M. Project to improve Young Street
- N. Maunalaha Community Center

X. NEW BUSINESS

- A. Church Parking at Makiki Park
- B. Walkway at 939 Prospect St.
- C. Bioremediation
- D. General Park closure hours
- E. Downtown Benches
- * F. Elderly Housing project on Kinau St.

XI. COMMITTEE REPORTS

XII. ANNOUNCEMENTS

XIII. ADJOURNMENT

ANY PERSON REQUIRING ACCOMMODATIONS TO PARTICIPATE AT THIS MEETING
AMY CALL THE NEIGHBORHOOD COMMISSION OFFICE AT 523-4768 FOR
ASSISTANCE.

NEIGHBORHOOD AGENDAS AND MINUTES ARE AVAILABLE ON THE WEB AT:
www.co.honolulu.us

MAKIKI/LOWER PUNCHBOWL/TANTALUS NEIGHBORHOOD BOARD NO. 10
MINUTES OF THE REGULAR MEETING
THURSDAY, MARCH 21, 2002
PAGE 4

Punahou Vista – Keith Kurahashi noted that they are currently wrapping up the responses from the EIS. A public will be held on April 19 and April 27 at 6 p.m.

Makiki/Tantalus Recreation Area – No new update.

Pawaa Park – No new update.

Primary Urban Center Development Plan – Carole noted that the Department of Planning and Permitting would make a statement next month about the PUC development plan.

Underground Lines on Wilder Avenue – No new update.

Change of Bus Route #4 – No new update.

Joint Neighborhood Board meeting/discussion with the surrounding Boards – No new update.

Proposed changes for Neighborhood Board No. 10 – No new update.

Improvements to parking lot at 710 Green St. – This item was previous discuss.

Project to improve Young Street – No new update.

Maunalaha Community Center – Koko Needham reported that they are working with the Department of Land and Natural Resources to finalize their draft. The draft should be ready by next month.

APPROVAL OF REGULAR MEETING MINUTES FOR FEBRUARY 21, 2002: The following correction was made:

1. Page 1, Members Present, Francis Freitas should be deleted. She resigned from the Board.

By consensus of the Board, the minutes were approved as amended.

NEW BUSINESS:

Church parking at Makiki Park – There was no representative present.

Walkway at 939 Prospect Street – Abby Shaw reported that she has spoken to an inspector who will evaluate the area.

* Elderly Housing project on Kinau Street – Keith Kurahashi, Kusao & Kurahashi, Inc., reported that Hawaii Housing Development Corporation, proposed to develop an eight-story affordable rental apartment building in accordance with the requirements of Chapter 201G of the Hawaii Revised Statutes (HRS), as amended. The eight-story building will provide 62 1-bedroom affordable rental units and a two-bedroom resident manager's unit, 30 at grade parking stalls, one of which will be an accessible stall, and one loading stall, for elderly residents (62 and older) who earn at or below 30% and 60% of the area median income. The proposed elderly affordable apartment is permitted in the A-2 Medium Density Apartment District of Honolulu under the Land Use Ordinance. The proposed development consists of two separate parcels of land. TMK: 2-4-12: 09 is located at 1150 Kinau Street and consists of 11,100 square feet. TMK: 2-4-12: 28 is located at 1320 Piikoi Street and consists of Affordable Elderly Rental Apartments will be 1150 Kinau Street, Honolulu, Hawaii 96814.

Bioremediation – Chair Steelquist reported that SB 2177 has gone through the Senate and crossed over to the House.



RECEIVED

MAKIKI/LOWER PUNCHBOWL/TANTALUS NEIGHBORHOOD BOARD NO. 10

c/o NEIGHBORHOOD COMMISSION • CITY HALL, ROOM 400 • HONOLULU, HAWAII 96813

APR 11 10 35 AM '02

REGULAR MEETING AGENDA
THURSDAY, APRIL 18, 2002
MAKIKI DISTRICT PARK – ARTS & CRAFTS ROOM
1527 Keeaumoku Street
7:15 P.M.

- I. CALL TO ORDER
- II. APPROVAL OF REGULAR MEETING MINUTES FOR MARCH 21, 2002
- III. FILLING OF VACANCY
 - A. One seat, sub district 2: Area bounded by Wilder Ave., Punahou St., South King St., Ward Ave., H-1 freeway and Pensacola St.
- IV. COMMUNITY CONCERNS
 - A. Honolulu Fire and Police Department
 - B. Residents' Concerns
 - C. Department of Parks and Recreation
 - D. Board of Water Supply
 - E. Network of Neighborhood Boards
 1. Sidewalks
 2. Makiki Stream
 3. Watershed Projects
 4. Manoa, Makiki, Moili'ili Regional Plan
- V. ELECTED OFFICIALS
- VI. MAYOR'S REPRESENTATIVE
- VII. GOVERNOR'S REPRESENTATIVE
- VIII. TREASURER'S REPORT
- IX. UNFINISHED BUSINESS
 - A. Update of Kalawahine 180 reservoir
 - B. Makiki Town Center/Wilder Avenue Revitalization Project
 - C. Punahou Vista
 - * D. Kinau Vista
 - E. Makiki/Tantalus Recreation Area
 - F. Pawaa Park
 - G. Primary Urban Center Development Plan
 - H. Underground Lines on Wilder Avenue
 - I. Change of Bus Route #4



Oahu's Neighborhood Board System - Established 1973



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Makiki/Lower Punchbowl/Tantalus Neighborhood Board

REGULAR MEETING MINUTES

THURSDAY, APRIL 18, 2002

MAKIKI DISTRICT PARK - ARTS & CRAFTS ROOM

CALL TO ORDER: Chair Steelquist called the meeting to order at 7:15 p.m. with a quorum present.

MEMBERS PRESENT: Sam Mitchell, Phillip Hauret, Tracy Ryan, John Steelquist, Charles Carole, Kenneth Bell, Susan Lai-Young, Norma Nicholl, Richard Kawano, Richard Stancliff, Henry McCullough, Randall Fujikawa.

MEMBERS ABSENT: Joseph Zuiker, George Tulenken, Jean Grandinetti.

GUESTS: Cheotu Koga, Michael Twigg-Smith, Van Okumu, Tom Enomoto (Consultant - DTS, PCTP, BRT), Paul Steffen (Department of Transportation Services), Fran Klema, Representative Brian Schatz, Arloa Ridder, Officer Curtiss Loui (Honolulu Police Department), Sergeant Espritia (Honolulu Police Department), Officer Ching (Honolulu Police Department), Captain Ken Lee (Honolulu Fire Department), Abelina Shaw (Mayor's Representative), Jon Jardin, Keith Kurahashi (Kusao & Kurahashi Inc.), Art Mori (Senator Rod Tam's Office staff), Tom Brower (Councilmember Ann Kobayashi's Office staff), Councilmember Ann Kobayashi, Brian Fuchigami (Representative Terry Yoshinaga's Office staff), Sean Casey (Councilmember Jon Yoshimura's Office staff) W. Robinson (TJ Mahoney), Kelley Santiago (Neighborhood Commission Office staff).

At this time the agenda was taken out of order.

COMMUNITY CONCERNS:

Honolulu Fire Department _ Captain Ken Lee reported the following for April 2002: (1) There were 3 structure and 2 rubbish fires, 45 medical, 1 search and rescue, and 11 miscellaneous emergencies, and 1 major incident. (2) Safety Tip: (a) When cooking, roll back your long sleeves. Long sleeves can be a hazard if they are caught on a pot handle or brush against a heated flame. To safely extinguish an oven fire, close the oven door and keep it shut. (b) 13th Annual Hawaii Food Drive _ All Honolulu Fire Department stations will be utilized as community drop-off points for nonperishable food items only from April 13-21, 2002, from 9 a.m. to 5 p.m. The HFD will not accept perishable food items or monetary donations.

be cut from the budget. Councilmember Kobayashi stated the Mayor's commitment to the Vision projects will be honored and a flow chart on each project's progress has been requested. (2) Stancliff questioned if there were plans to condemn the Outrigger property in Waikiki. Councilmember Kobayashi stated that there are no funds available to condemn the property.

Councilmember Jon Yoshimura _ Sean Casey had no report and was available for questions.

MAYOR'S REPRESENTATIVE _ Abby Shaw reported the following: (1) Sunset in the Park will be held at Waipahu Historical Plantation Village on April 20 and 21. (2) Follow-up: Concern was raised about the replacement of benches at Fort Street Mall _ The benches have been ordered and will be replaced.

Questions, comments, and answers: (1) Question was raised regarding the City's position on the costs for planning and designing of City projects. Shaw stated that the City would like to cut down on costs and are working closely with consultants to accurately estimate fees. (2) Question was raised if the City checks the consistency and efficiency of consultants they hire. Shaw said yes. (3) A suggestion was made that the City wave design and construction fees on certain projects.

GOVERNOR'S REPRESENTATIVE _ There was no representative present.

TREASURER'S REPORT: Lai-Young reported the following account balances for March 2002: (1) Operating: \$567.92 (2) Publicity: \$3,905 (3) Refreshment: \$120.

APPROVAL OF REGULAR MEETING MINUTES FOR MARCH 21, 2002: The following correction was made:

Page 1, Members Absent: Susan Lai-Young and Sam Mitchell should also be listed.

Without objection, the minutes were approved as amended.

UNFINISHED BUSINESS:

Update of Kalawahine 180 reservoir _ No update.

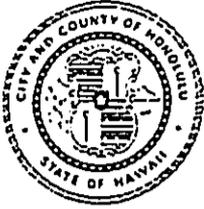
Makiki Town Center/Wilder Avenue Revitalization Project _ No update.

Punahou Vista _ Keith Kurahashi, Kusao and Kurahashi Inc., reported that the 201G is being processed by the Department of Planning and Permitting and the final EA is being processed by HCDCH.

Kinau Vista _ Kurahashi reported that they have contacted the surrounding property owners and neighbors of the proposed project to brief them on the proposal.

Stancliff moved seconded by Mitchell that the Board support the Kinau Vista Project located at 1150 Kinau Street. The motion carried. 12-0-1. Aye: Carole, Malarz, Steelquist, Bell, Hauret, Mitchell, Stancliff, Kawano, Nicholl, Lai-Young, McCullough, Fujikawa. Abstain: Ryan

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CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII 96813-3065 / TELEPHONE 547-7000

JON C. YOSHIMURA, Chair
District 6
(808) 547-7006
Fax (808) 527-6101
email: jyoshimura@co.honolulu.hi.us
website: www.jonyoshimura.com

January 23, 2002

Mr. Randolph G. Moore, Chair
Hawaii Housing Development Corporation
Imperial Plaza, Suite C-103
725 Kapiolani Boulevard
Honolulu, Hawaii 96813

Dear Mr. Moore: *Randy*

Subject: Kinau Street Apartments, a Senior Rental Affordable Housing
Development by the Hawaii Housing Development Corporation, a
Non-Profit Organization

Based on my review of the Project Book on the Kinau Street Apartments and my discussion with your planning and zoning consultant, I am submitting this letter of preliminary support for the proposed senior rental affordable housing development planned on Kinau Street near Piikoi Street being planned as a Chapter 201G development. I am very supportive of the conceptual proposal and look forward to working with you in the process to insure that infrastructure and health and safety issues are properly addressed.

The Hawaii Housing Development Corporation has received Chapter 201G approval from the City Council for three affordable housing developments in the past several years, the Birch Street (family affordable) and two senior affordable rental developments, the Wisteria Vista and Kalakaua Vista. All three of the affordable rental developments were well received by the community and the surrounding neighbors. The private development

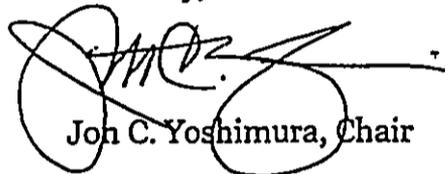
Post-it® Fax Note	7671	Date	1/24/02	# of pages	2
To	<i>Andrew Furuta</i>	From	<i>P. Kusat</i>		
Co./Dept.		Co.			
Phone #		Phone #			
Fax #		Fax #			

Mr. Moore
January 23, 2002
Page 2

of affordable rental housing is supported by both the City and State, in their planning documents. The Hawaii Housing Development Corporation has been very successful in the prompt delivery of affordable rental units shortly after receiving their necessary approvals and have done much in relieving some of the demand for affordable family and senior housing.

Keep up the good work.

Sincerely,



Jon C. Yoshimura, Chair

JCY:dsf



HAWAII COMMUNITY REINVESTMENT CORPORATION
January 14, 2002

DONALD L. TABLETON
President

Mr. Gary S. Furuta
Hawaii Housing Development Corporation
725 Kapiolani Blvd. C-103
Honolulu, HI 96813

1-16-02
Ken
Andrew (FYI)
Purdy

Dear Mr. Furuta:

Thank you for the project information on Kinau Street Apartments, a proposed 62 unit elderly housing project to be located at the intersection of Kinau and Piikoi Streets, in the Lower Makiki District of Oahu.

Hawaii Community Reinvestment Corporation is a non-profit consortium of nine Hawaii financial institutions. Its purpose is to increase the inventory of affordable rental housing throughout the state by extending credit at below market interest rates, providing equity through its Tax Credit Equity Fund, conducting periodic seminars of affordable housing topics and providing consulting services. In its ten-year history, it has committed over \$106 million to assist in the development or preservation of over 2,100 affordable housing units.

We feel the Kinau Street Apartments will be in an excellent location for elderly housing because of the close proximity to shopping needs, bus lines, and an existing elderly community. You are planning to target tenants of very low income, and to use low-income housing tax credits as the cornerstone of your financial plan. These factors make Kinau Street apartments an ideal project for our programs and in furtherance of our mission. We specialize in lending on tax credit projects in addition to making tax credit equity investments.

Our relationship that has developed with Hawaii Housing Development Corporation from working on a number of similar projects is highly valued by us. We would like very much to assist you with Kinau Street Apartments and we look forward to continuing this relationship.

Please let us know when and how we might be of assistance.

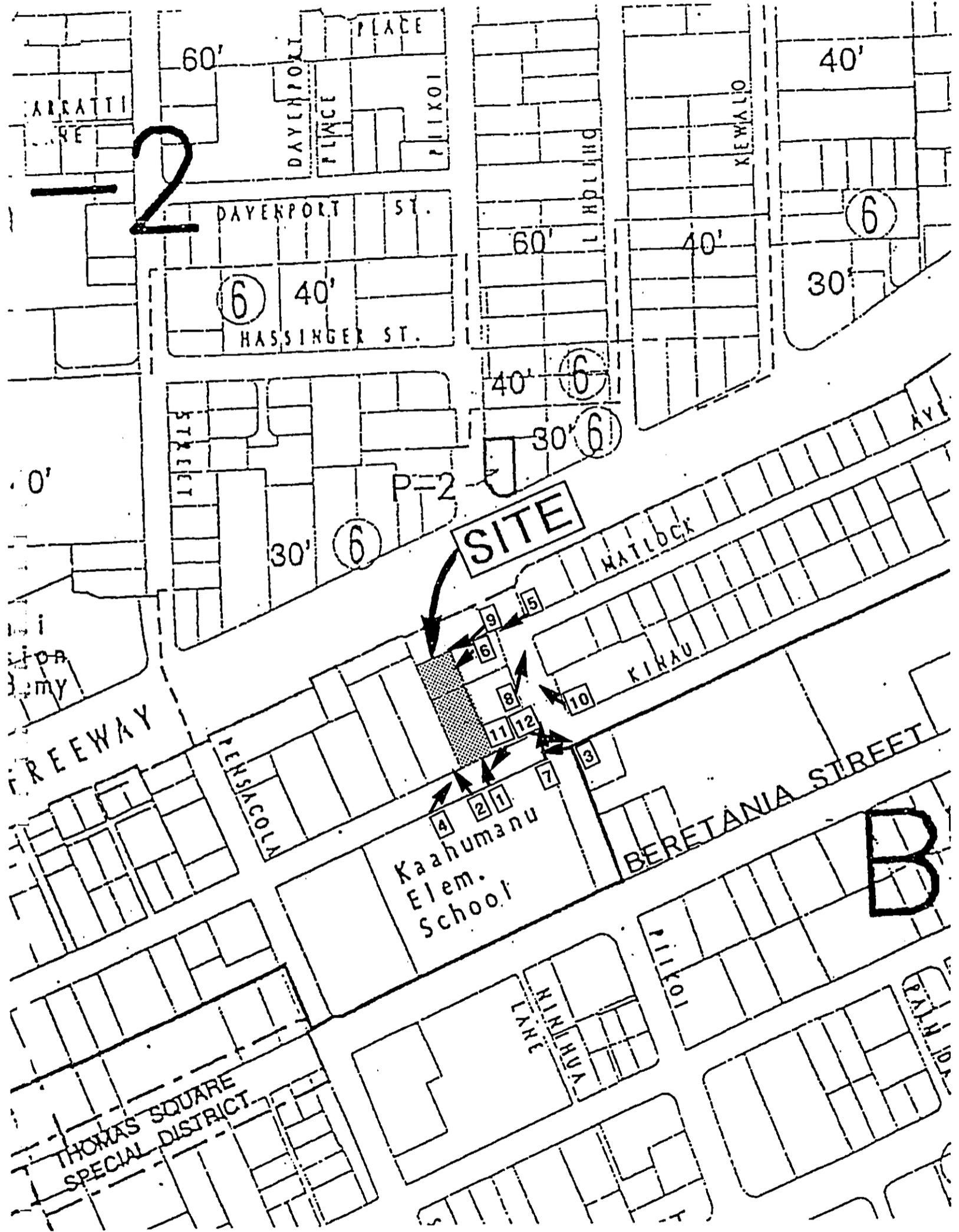
Sincerely,

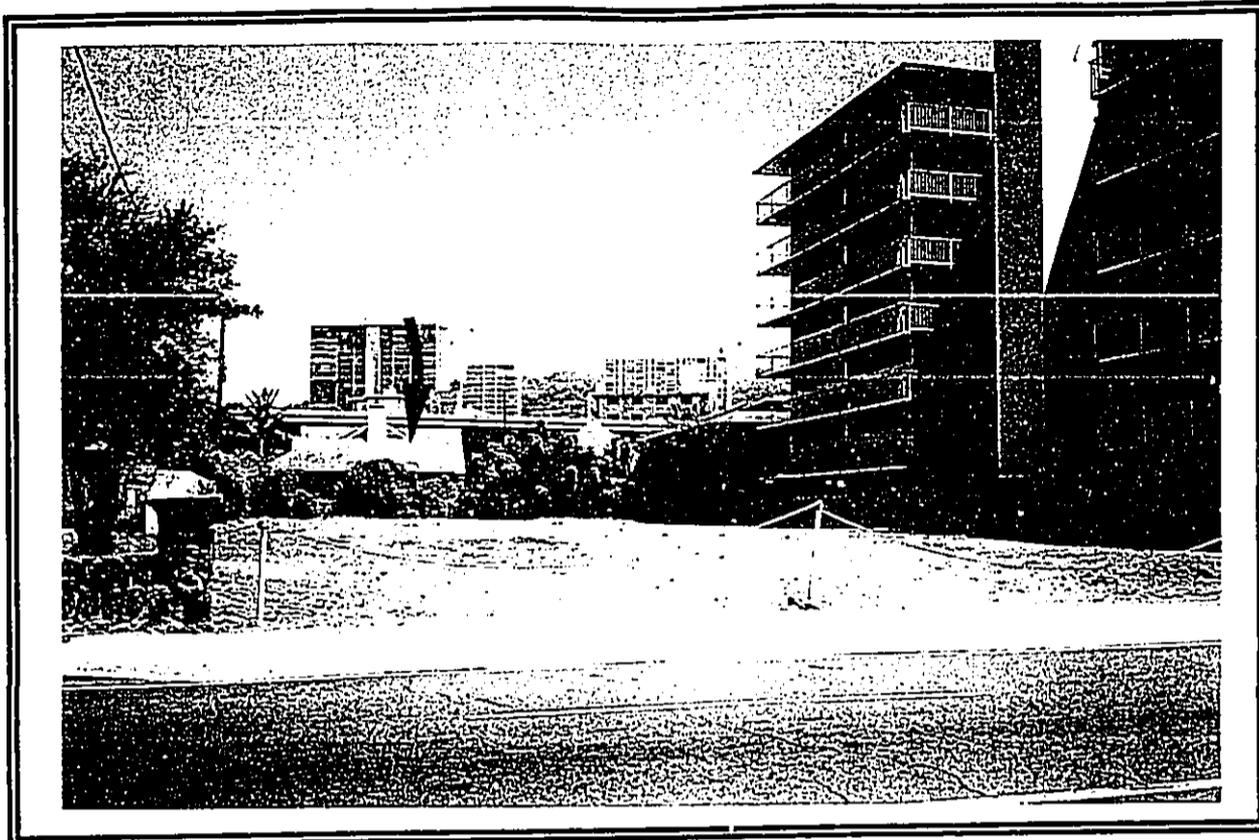
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**APPENDIX IV
PHOTOGRAPHS OF SITE**

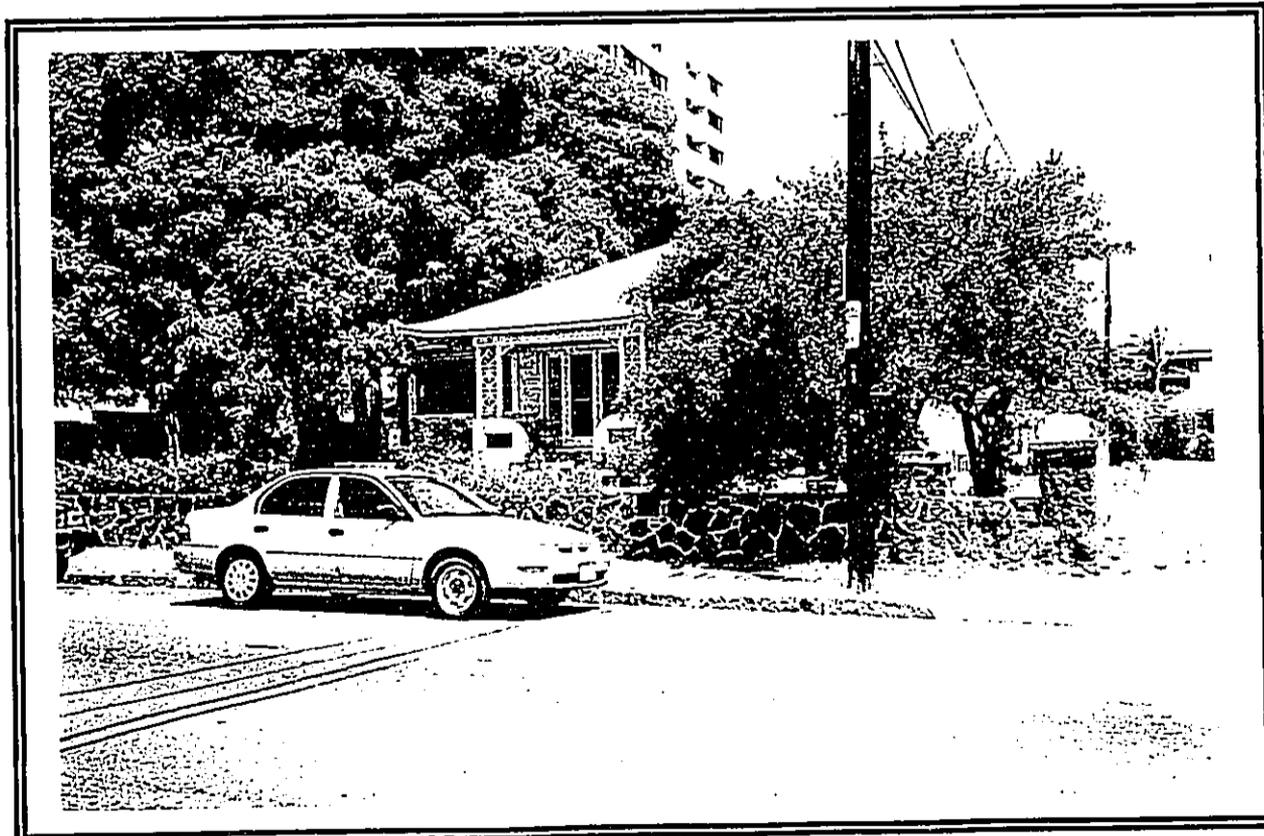
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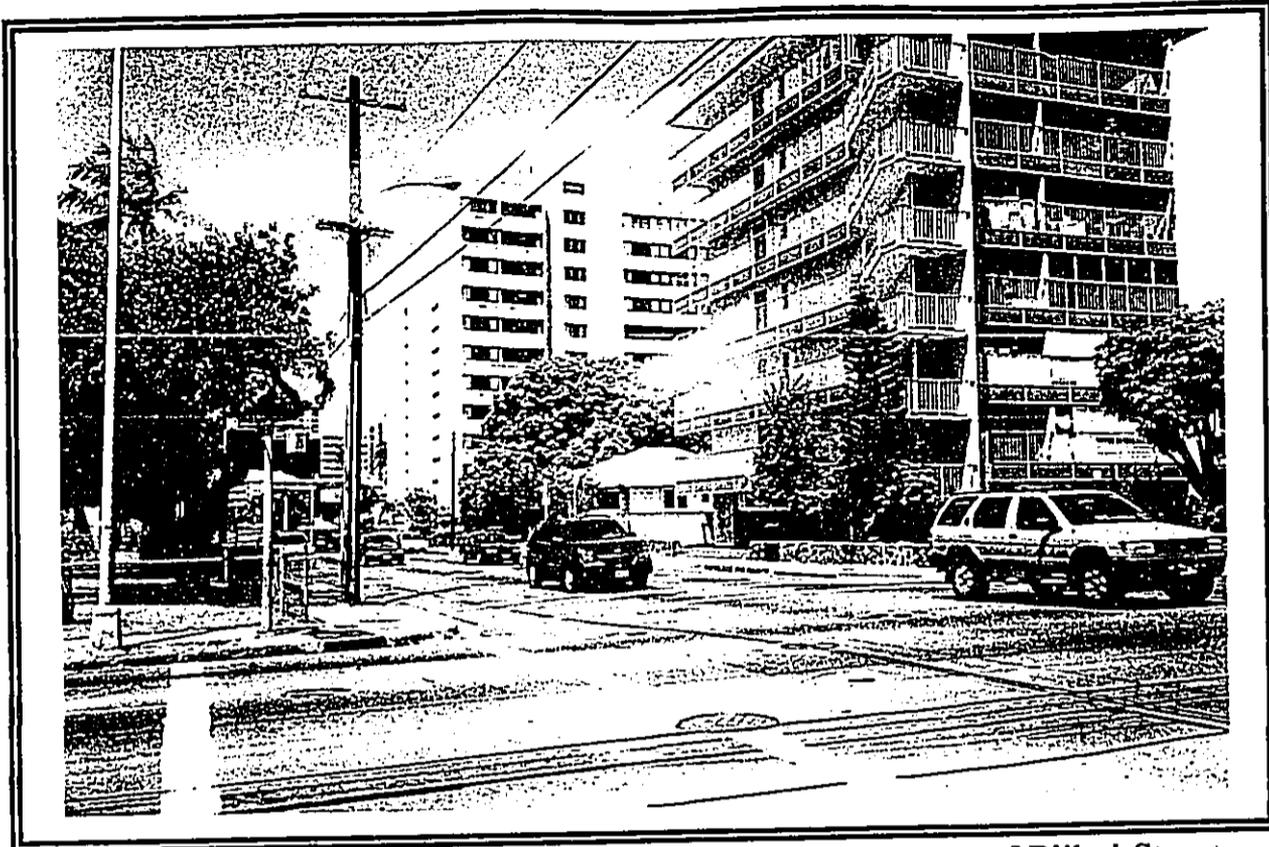




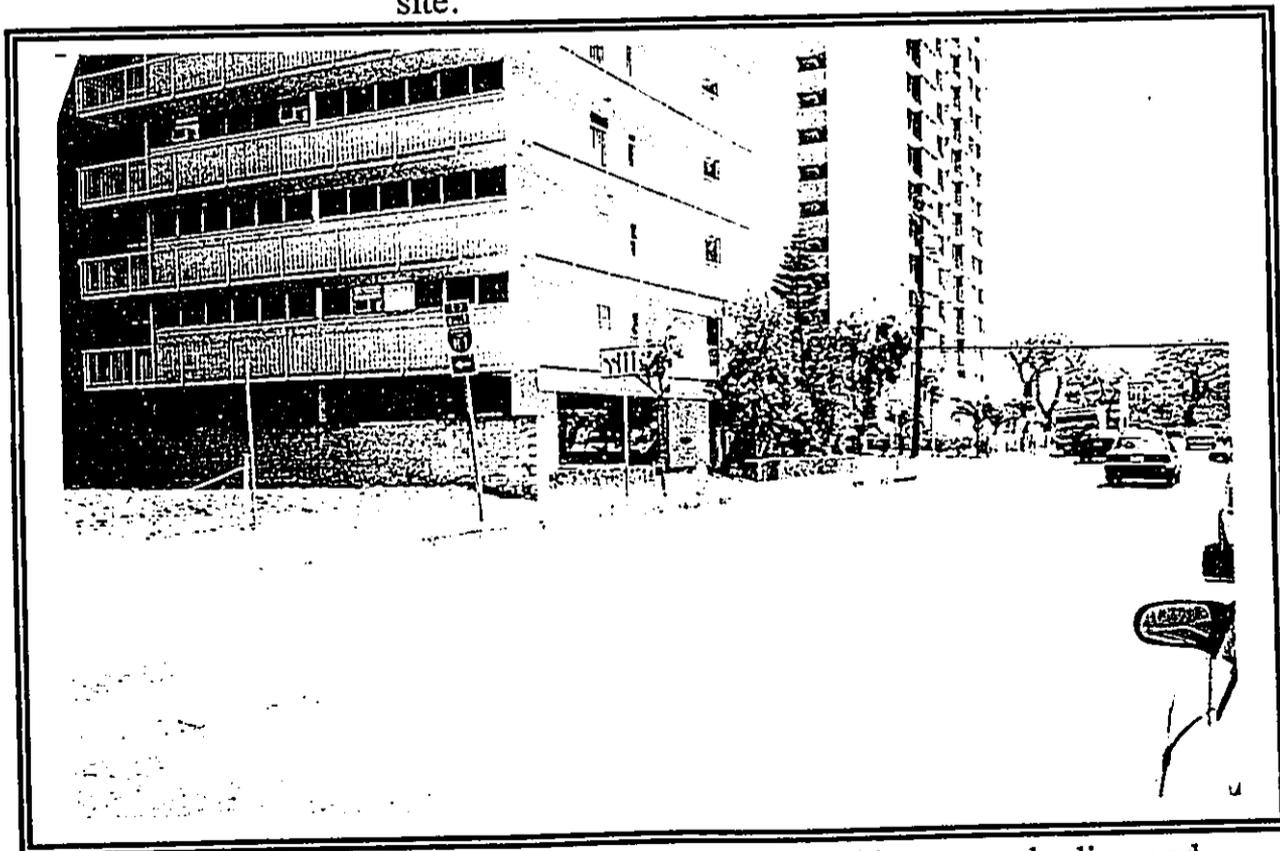
Photograph No. 1 Proposed project site with arrow showing location of second lot.



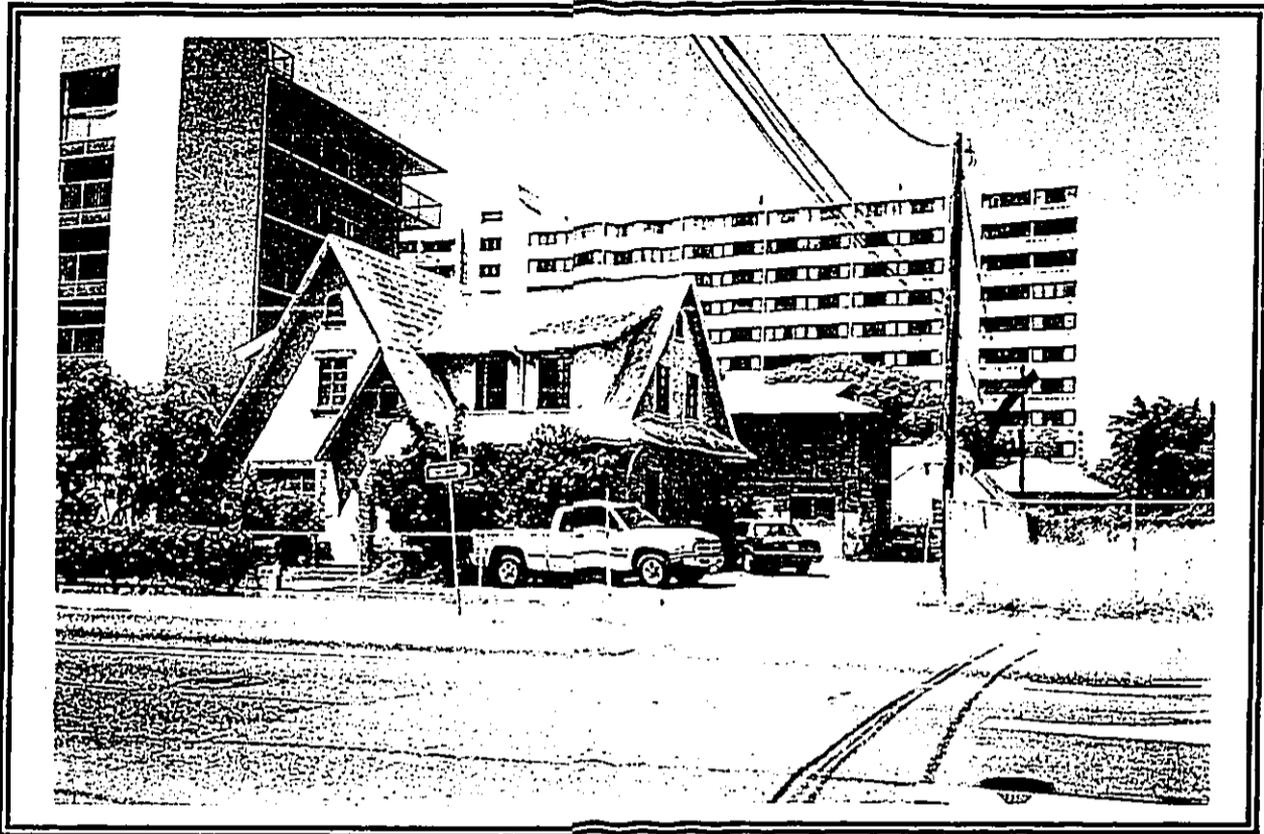
Photograph No. 2 Single family home on the ewa side of project site.



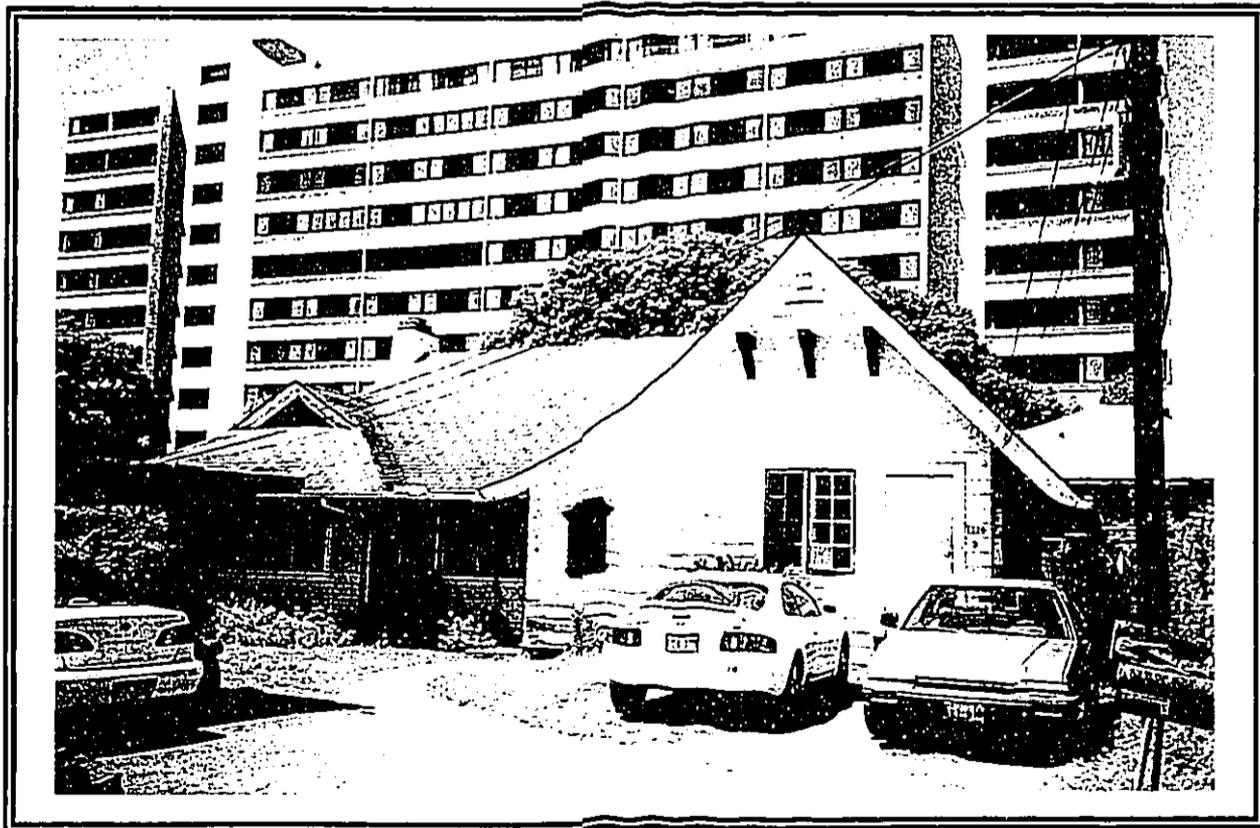
Photograph No. 3 Standing on the diamond head corner of Piikoi Street and Kinau Street, facing ewa towards proposed project site.



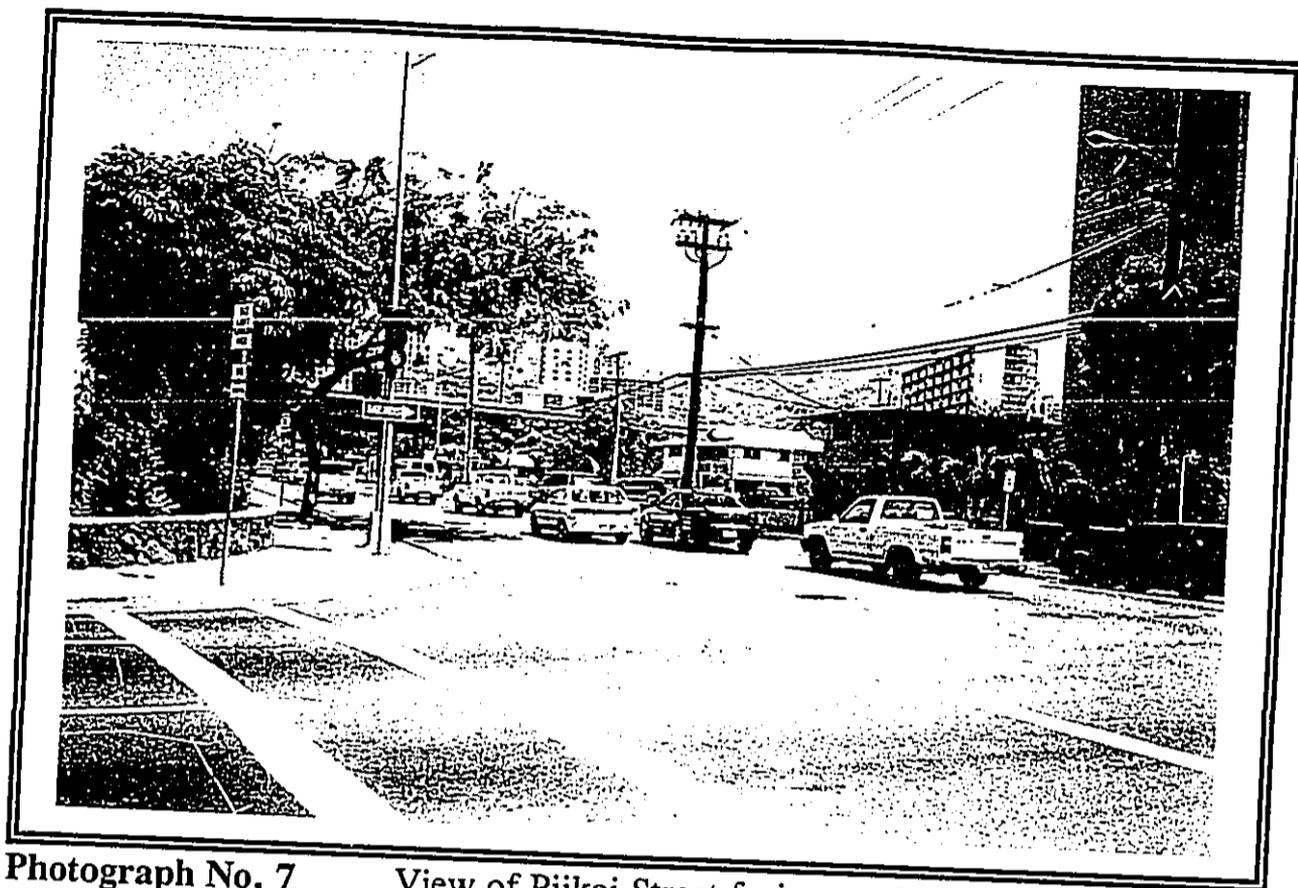
Photograph No. 4 Standing on Kinau Street looking towards diamond head, with proposed site to the left.



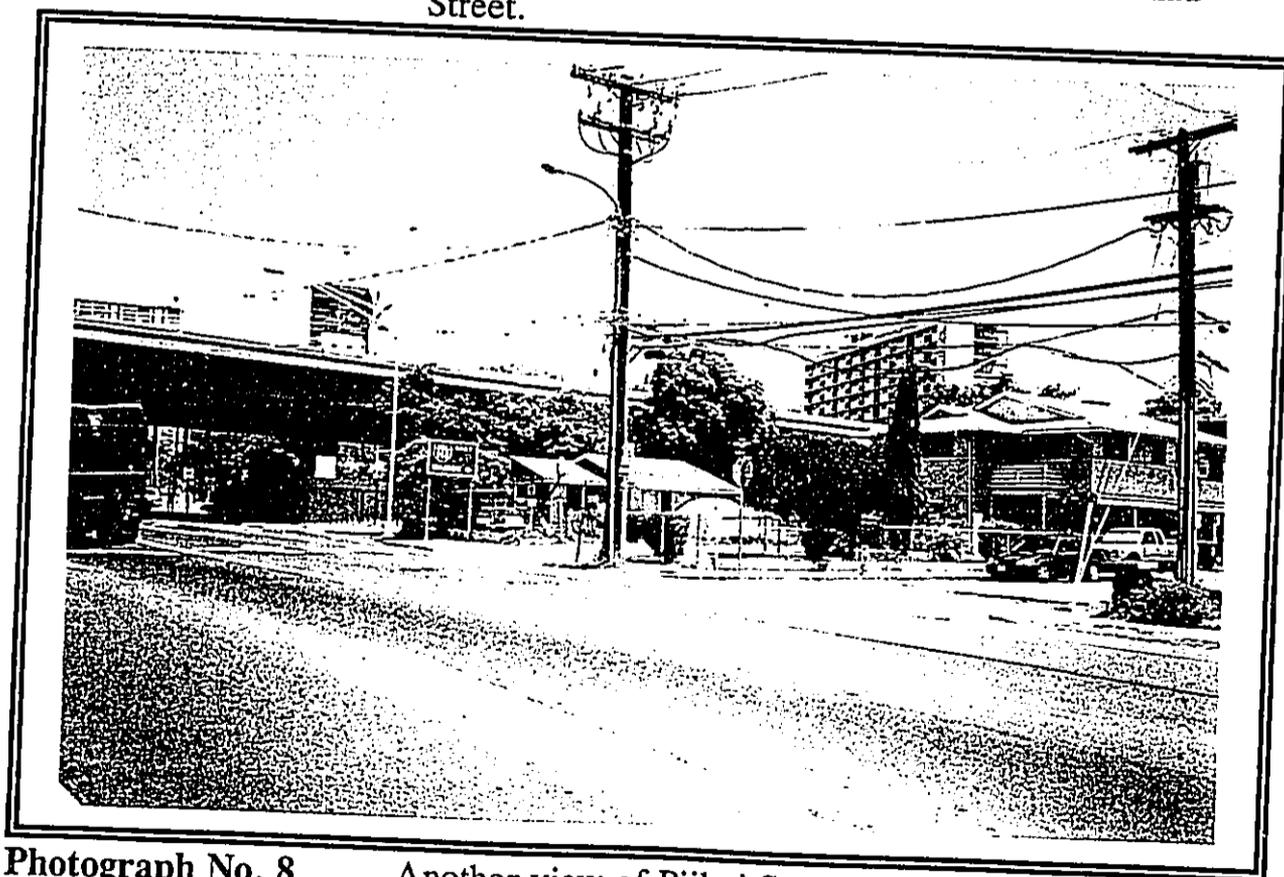
Photograph No. 5 View of access way off Piikoi Street to second lot.
Arrow points to location of second lot.



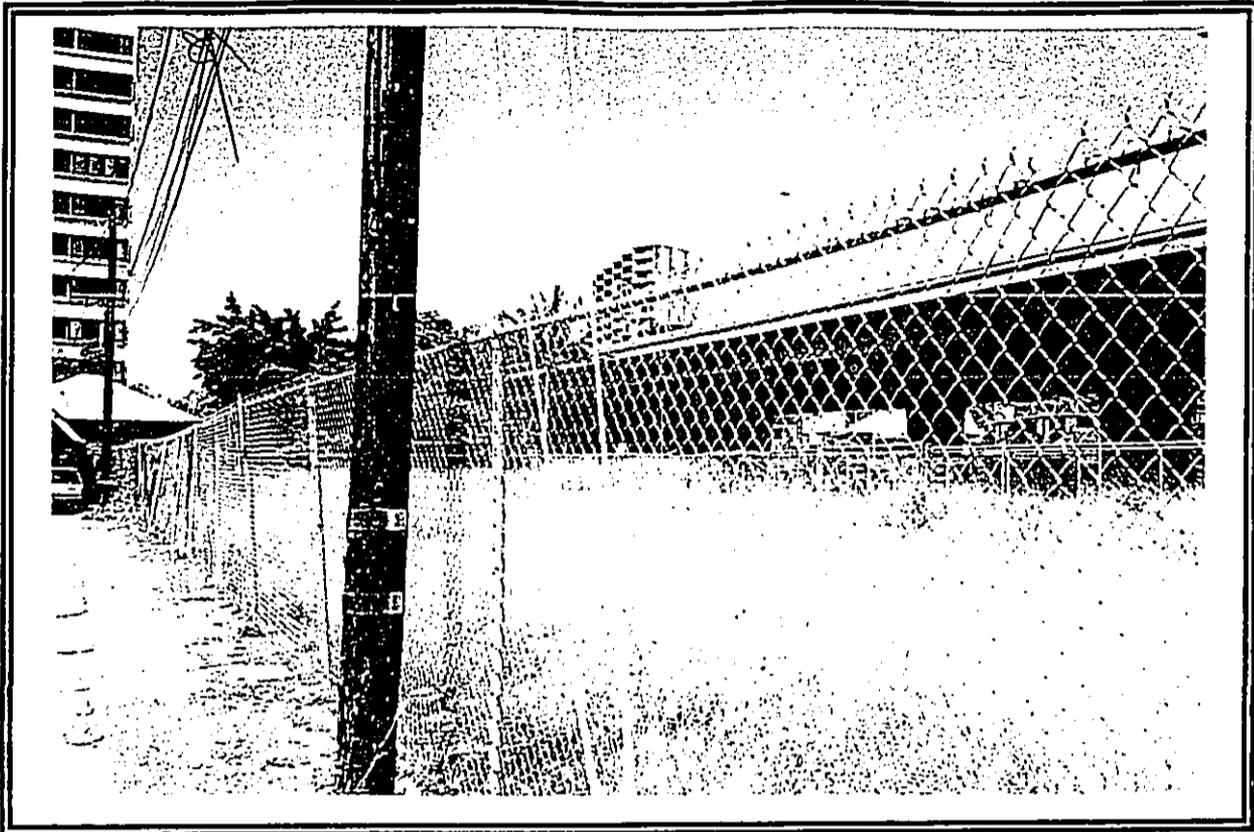
Photograph No. 6 Close up view of second lot. House to be demolished.



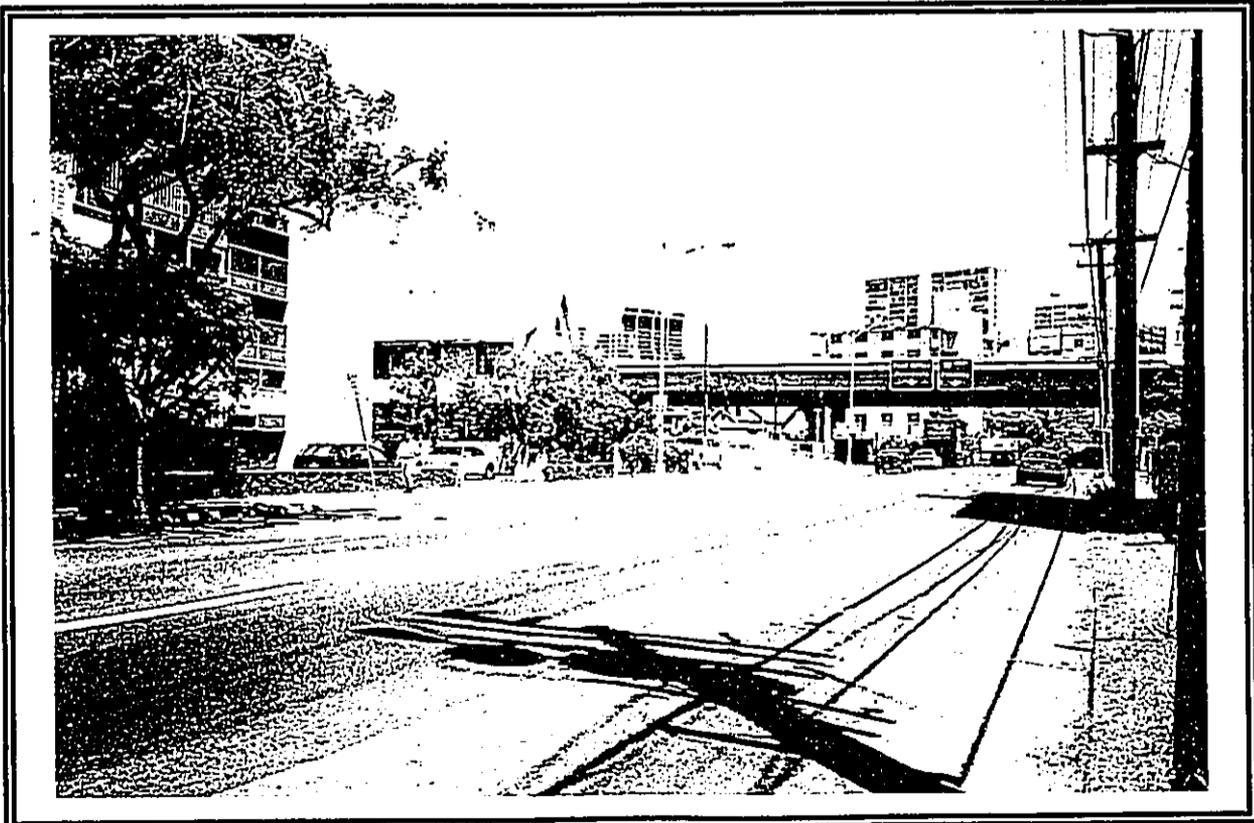
Photograph No. 7 View of Piikoi Street facing north towards the freeway, taken at the intersection of Piikoi Street and Kinau Street.



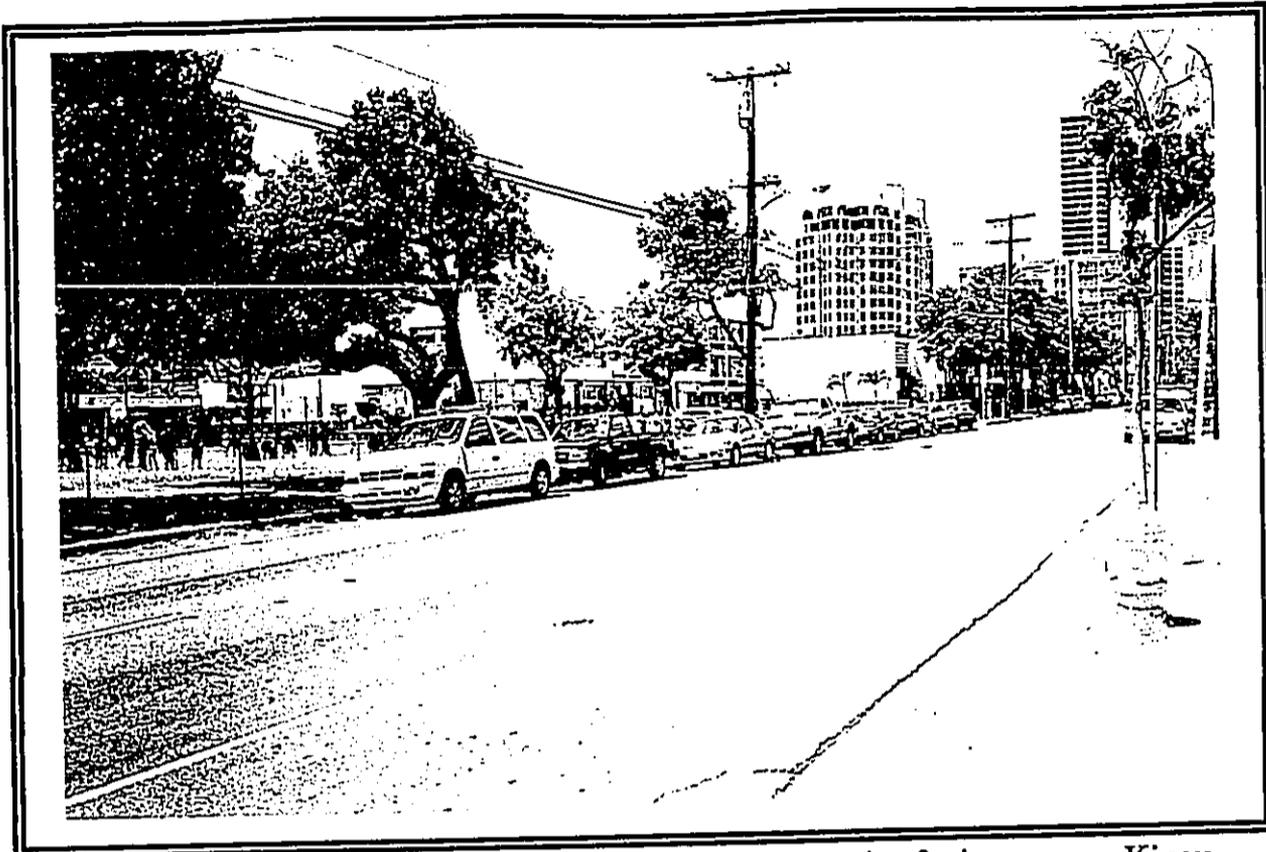
Photograph No. 8 Another view of Piikoi Street with freeway in the background.



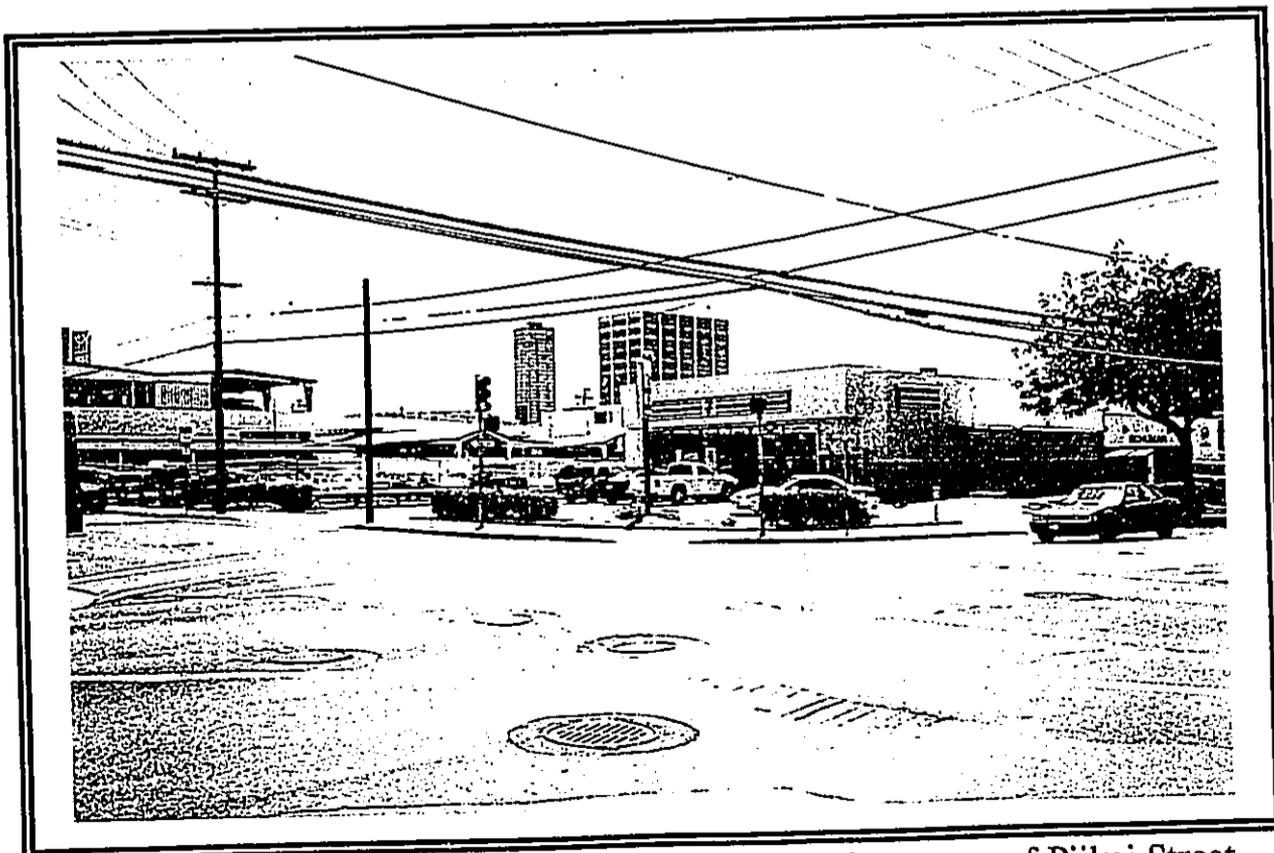
Photograph No. 9 View of empty lot and freeway, facing ewa, taken from access easement.



Photograph No. 10 Taken at the intersection of Piikoi at Kinau Street, facing north on Piikoi Street.



Photograph No. 11 View from proposed project site facing across Kinau Street towards Kaahumanu Elementary School.



Photograph No. 12 View of 7-Eleven Store on the corner of Piikoi Street and Kinau Street.

APPENDIX V
CONSTRUCTION TIME FRAME

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KINAU VISTA
DEVELOPMENT SCHEDULE
October 9, 2002

Finalize land purchase agreement (control)	Done; in escrow
Receive LIHTC and RHTF-PA awards	Done
Receive Seattle FHLB AHP award	Done
Close City Bank pre-development loan	Done
Obtain City Bank construction loan commitment.	Done
Obtain HCRC permanent loan commitment	Done
Obtain HIAHI LIHTC equity syndication Term Sheet (commitment)	Done
Close land purchase agreement	Nov 2002
Obtain FONSI from OEQC	Nov 2002
Obtain Chapter 201G, HRS approval	Dec 2002
Obtain building permit	Feb 2003
Commence construction (w/foundation permit)	Mar 2003
Complete construction	Mar 2004
100% rent-up	Jun 2004

**APPENDIX VI
MARKET STUDY**

**Affordable Senior Housing
Market Study**

“KINAU VISTA”

PREPARED FOR

**HAWAII HOUSING DEVELOPMENT
CORPORATION**

BY

**DATA@WORK INC.
RESEARCH & CONSULTING
Ricky Cassidy**

February 27, 2002

EXECUTIVE SUMMARY

Relative to the kinds of units proposed by the subject project, the overall, the economic and residential real estate conditions were studied and shown to be creating the kind of demand that would make for a favorable market reception. In general it appears we are entering a residential rental market cycle that is characterized by low supply and growing demand.

As an overview, we reviewed Oahu's economy and the trends affecting the local renter population. While we found signs of an economic slowdown, thanks to the 9/11 WTT attack, we also saw good evidence that the economic effects of this are likely to be quite short-lived. Indeed, the economy looks primed to recover nicely next year, and resume its long-term upswing... with a commiserate demand for rental housing.

Narrowing in on the overall market of residential real estate, it has been quite healthy: closings have grown dramatically over the last four years, and prices have begun to rise, as well. Further, closings and prices have not slowed in any respect, as has the economy has, after 9/11. Indeed, things have speeded up slightly, or stayed the same as prior to 9/11.

Relative to this strong demand, the supply of housing, particularly condominiums and multifamily, has been quite restrained (this was due to a weak housing market, 1992-1999, and a weakened developer community). In addition, the permitting activity is at historically low levels for condominium housing, of any kind, but particularly for lower income housing.

Against this, the long-term demand for housing, both in general and for this particular age and income demographic sector, is strong, and growing. Specifically, the long-term economic factors (job growth) and population growth and change (baby boomer bulge aging) are favorable for creating strong demand from the target market.

Narrowing further in on Oahu's overall rental market, we described signs of it having bottomed out, with a dramatic drop in availabilities, and an upward movement in rental rates noticeable in several neighborhoods, including those surrounding the proposed project. In terms of competition from the "open" rental market, current conditions favor this project: market rents have been rising, availabilities falling and the quality of the units (in terms of the physical features, the particular location and the community amenities) diminishing. In terms of competition from the "restricted" rental market, market conditions also favor this project: the present inventory is almost 100% occupied, and there are wait lists in place for senior rental units when they become available.

On the supply side, an examination of future supply was made and we concluded there are few projects in the works that target either the general rental market demand, or the specific target market demand (senior affordable rental demand). On the demand side, an examination of the projected growth in the numbers of households in the targeted market was performed and it was shown that demand, both potential and 'effective' should be more than sufficient to absorb the number of proposed units.

We concluded that neither current nor future supply does not appear sufficient to absorb significantly the current and projected demand in this market.

Given these indicators, the project should be able to achieve similar rental rates of other affordable rental projects (from \$510 at Royal Kinau to \$726 at Kulana Hale) and achieve a rapid absorption. The developer can anticipate between 170 and 210 applications within six to twelve months after marketing is commenced. Of those, the developer should be able to convert enough to be able to reach final occupancy within a six to twelve month period after the project has been completed.

I. INTRODUCTION

The Data@Work, a market research firm that specializes in analyzing residential real estate markets for developers, has been retained by the Hawaii Housing Development Corporation, General Partner of Kinau Vista L.P., to perform a study analyzing the market for affordable senior rentals in Honolulu. This study focuses on the historical, current, and projected rental market conditions and trends to help forecast the absorption for the proposed project, named "Kinau Street Apartments."

The study entailed collecting, comparing and analyzing information that has a bearing on the numerous aspects of market demand for the proposed project, including but not limited to publicly available real property, economic and commercial data. Rental information was collected from rental agencies, condominium resident managers, and the classified ads in the Sunday *Honolulu Advertiser*. Income and demographic information was obtained from the State of Hawaii, City and County of Honolulu, Bureau of the Census and Claritas Inc. The data and statements herein are based on independent research by the staff of Data@Work and are in no way contingent upon outside findings or recommendations.

II. PROJECT DESCRIPTION

The subject property is located on the McCully section of Honolulu, half a mile from the state's largest concentration of retail commerce, the Ala Moana Shopping Center. It is a 16,861 square foot flat parcel, sitting near the corner of Kinau and Piikoi Streets. It is zoned A-2, suitable for multi-level attached residential housing development. The TMK is 1-2-4-12-09 and 12-28.

The project concept is to build 62 one-bedroom one-bath units, approximately 420 square feet in size, in an eight-story concrete block mid-rise building. There will be nine units per floor. The parking will consist of 33 at-grade parking stalls. A resident manager's two-bedroom unit, as well as a case manager's office, is planned for the second floor. The ground and first floor common areas and amenities will include:

- An entry lobby,
- Elevator,
- Mail room,
- Multi-purpose room,
- Manager's office,
- Trash chute,
- Mechanical and electrical rooms,
- Private park, and
- Victory garden.

Target Market: In order to qualify, the rental candidates will have to demonstrate that they are over the age of 61 and that their annual incomes fall within the limits established by the affordable housing policy guidelines. There will be 7 units made available to those making 30% or less of the AMI (Area Median Income) and 55 units made available to those making 60% or less of the AMI.

The project's rental rates will be set as follows:

- 7 units at 30% of the AMI Level will have a monthly rent of \$313 gross, and
- 55 units at 60% of the AMI Level will have a monthly rent of \$551 gross.

Cost of personal electrical power usage will be included in the gross rent.

The subject property can be considered to be in a desirable location since it is close to shopping, support services restaurants, transportation, parks, and medical facilities. For instance, there is both a TIMES and a SAFEWAY supermarket, within walking distance, as well as a number of excellent restaurants, from family-style (Auntie Pastas) and ethnic (Dew Drop Inn) to fast food (MacDonald's & Burger King). In addition, it lies at the epicenter of Oahu's population and employment base; this makes it convenient to most families living on the island.

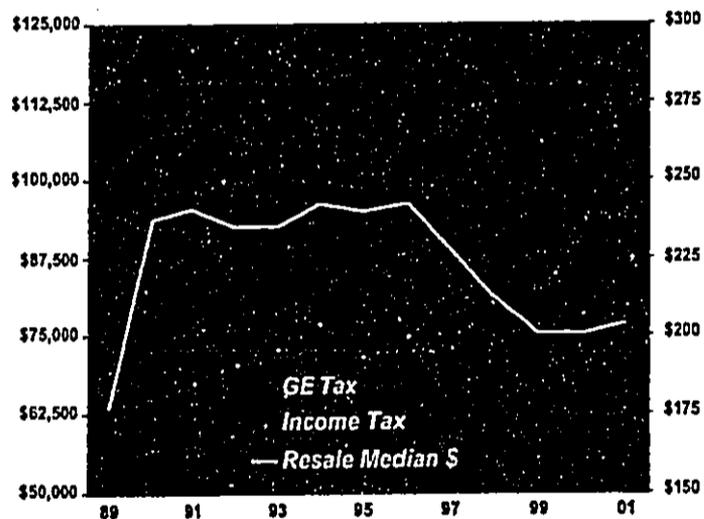
III. OVERVIEW OF THE OAHU ECONOMY

The segment of the residential real estate market relevant to this project consists of rental properties in and around Honolulu appropriate for senior citizens whose incomes are at or below the target area median income (as defined by HUD for the Honolulu metropolitan area). That said, we think it important to arrive at an understanding of this market by looking at not just the overall real estate market, but the island economy as well.

In the first place, this allows one to take account of what impacts the supply and demand for housing, in terms of the big picture. With that in mind, it will be easier to make some assumptions about conditions that impact the viability of the project. In the second place, all the different sub-segments of the residential real estate are interlinked, with conditions existing in one part of the market often spilling over into other sectors. As such, with a general understanding of the overall residential market, it will be easier to set expectations for the success of this project.

ECONOMIC BACKDROP

In 2001, Oahu's major tourism markets have experienced a significant slowdown from where they were in the late 1990's. For instance, Japan's economy, Oahu's major source of visitor revenues, shrank by 0.4% in 2001, compared to growing by 5% p.a. several years earlier. Things aren't expected to do much better in 2002: only .75% growth next year is projected for the Japanese. For the US economy, while currently looking quite anemic relative to the last 5 years, it is still projected to grow twice as fast as Japan (or 1.5% real growth).

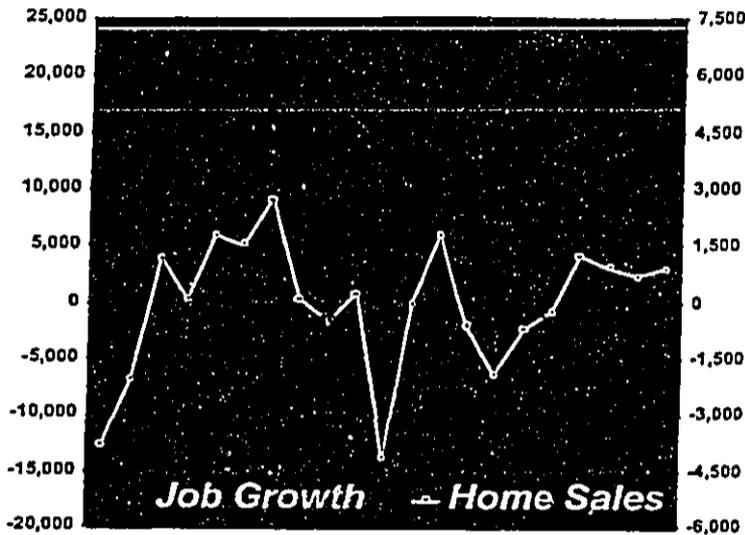


This can be seen in the GNP GROWTH & VISITOR REVENUES chart, where the real rates of growth for Japan (yellow line) and the US (pink line), our two major visitor markets, are compared to the annual rates of growth in Oahu's average hotel room rate (green line) and for the average rate of occupancy (light blue line).

In the fourth quarter of 2001, Oahu's visitor industry saw its occupancy rates fall as drastically as they did after the Gulf War commenced in 1990. Occupancies dropped down from 82% to 76%, a fall that almost wiped out the gains made in the prior two years. Average room rates for the year

actually increased to \$180 a night from \$171 in 2000. As these rates are for the whole year 2001, they have not responded fully to the 9/11 tragedy as have the other induces.

Notwithstanding the downturn this year in tourism, the 1995-2000 growth in the visitor industry

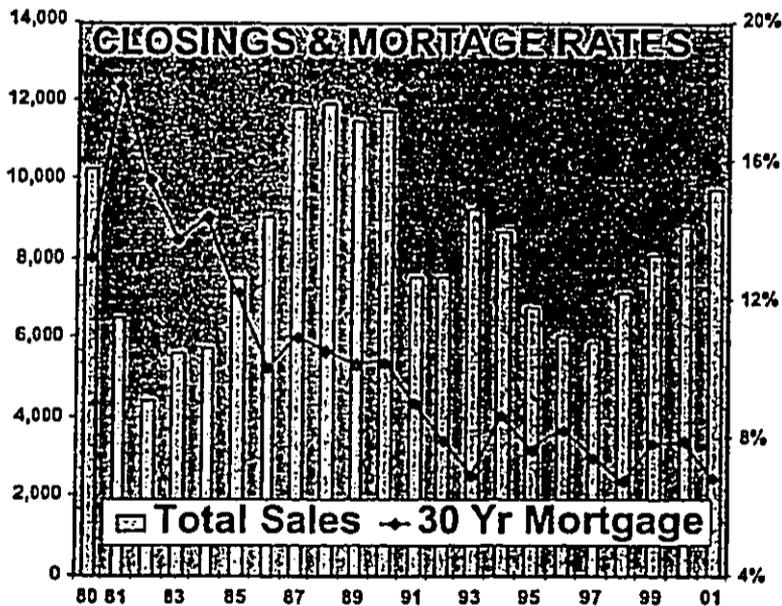


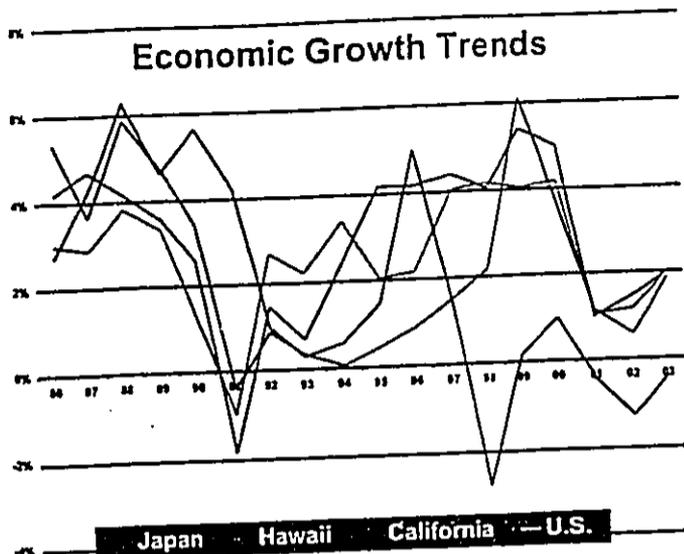
has had a corresponding positive effect on business and personal income on Oahu. The chart TAX ROLLS vs. HOME PRICES tracks this, via the levels of income tax taken by the state from businesses (General Excise Tax) and individuals (Personal Income Tax).

The GE Tax was at an all-time high last year, up 3% and 11% the past two years. Similarly, income taxes are at a record high, up by 2% over the last two years.

Against these indicators of commercial and personal financial success, we note that the median price of buying a single-family house fell over most of the past decade. Indeed, it is remarkable that the expansion in personal and business income has not yet had much of an impact in terms of pushing prices upwards. Part of the reason why price rises have not appeared until just recently could be due to a fall in interest rates. As the cost of mortgage money fell from the early 1990s, so did the purchasing power of homebuyers begin to grow.

Finally, what home sales most respond to is job growth. In this respect, as seen in the JOB GROWTH HOME SALES chart, they move in synch with one another, with job counts being the more volatile. The dramatic decrease this year in jobs was not met with a decline in residential real estate sales... giving us some hope that job growth will rebound in 2002.

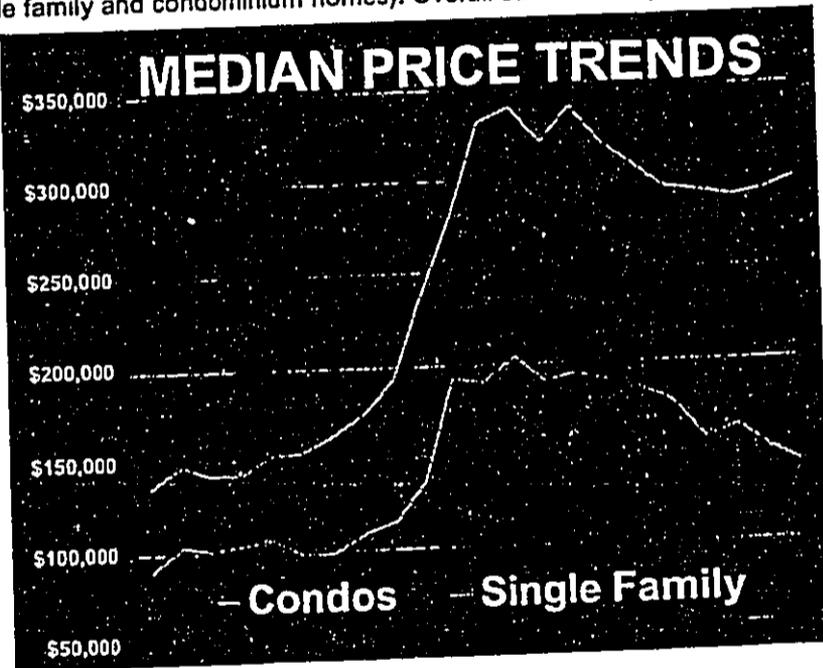




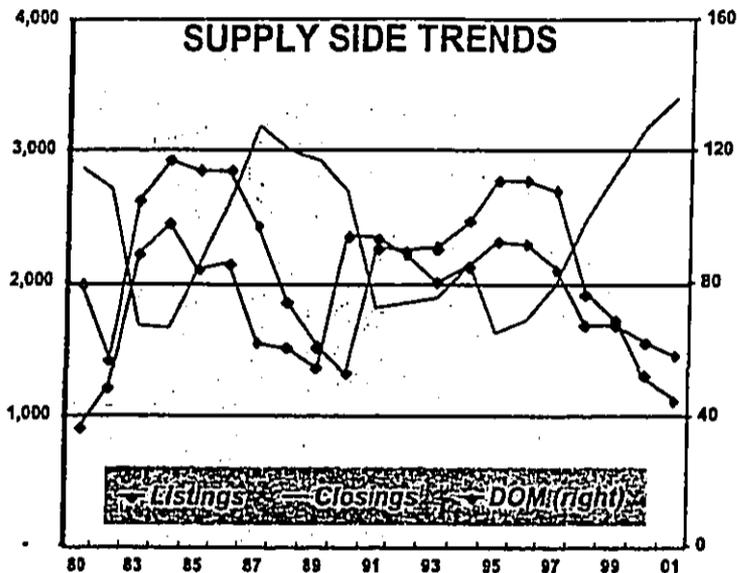
In sum, the economy slowed down quite dramatically at the end of 2001. However, the cause of the slowdown – the terrorist attacks – was quickly addressed, and the fallout economically is looking pretty short-lived. Indeed, the projections for recovery for 2003 are beginning to look conservative (see ECONOMIC GROWTH TRENDS CHART). As a result, the economy of Oahu looks primed to recover nicely next year, and resume a long-term upswing.

THE TOTAL MARKET

SALES: As illustrated in the CLOSINGS & MORTGAGE RATE chart, Oahu's residential real estate market ended up 9% last year, with some 9,700 homes sold (note: this is total sales -- newly built homes and resales, single family and condominium homes). Overall sales went up from 2000's closing count of 8,900 homes sold, and continued a string of four years with higher closings. The rate the market is expanding by has slowed over these four years: after starting with a 21% growth rate in 1998, it came in at 9% growth the last two years, or 700 plus more units sold. Overall, the market has risen over 60% from the last bottom, which came in 1997. However, it is still some 20% under the all-time peak for home sales, set in 1988.



Much of the credit for this rise goes to strong demand for resale homes, particularly in the condominium market. In general, new home sales have lagged behind resales, except for the single-family component (which has been stronger than single-family resales in two out of the last three years).



PRICES: Housing prices have been trying to move upwards these last three years, after trending downward since the early 1990s. Overall market median prices rose from \$219,500 to \$221,000 in 2001, a rise of 0.7%.

For the resale market, the median price for all resales turned upwards to \$203,000 in 2001, after having staying at \$200,000 for two years. For the new homes market, the median price actually fell last year, but this was the result of closing out two high-end

condominium projects (whose sales prices had pushed the median higher over the previous two years).

As seen in the MEDIAN PRICE TRENDS Chart, the overall condo market's median price has been in decline (blue line) over the last three years, hitting \$142,000 in 2001 from \$150,500 in 2000. This is because the median prices for newly built condos headed sharply downward last year, off by some 30%. In contrast, the resale condominium median price rose by 6.4% (for the first time since 1991).

Single-family median prices (pink line) rose again for the third straight year, hitting \$300,000 (the first time since 1996). Both market segments, the resale and the homes development, saw higher median prices.

Currently, the resale market is looking pretty tight. Per the SUPPLY, DEMAND & INVENTORY chart, sales (blue line) are up, listings (red line) are down, and the inventory (MRI, or the green line) is at very low levels. As can be seen, the resale market sales have risen 60% from the last trough in 1997; and listings are down by some 35% from its last peak in 1997. As a result strong sales and dwindling listing levels, the inventory of homes (MRI: Months of Remaining Inventory) has also declined these last four years, also by around 60%.

Importantly, this indicator (MRI) stands at a very low level currently, which is why prices will be under pressure to rise, if demand (sales) stays the same or moves higher.

In sum, the overall real estate market has not manifested any of the slowing in activity that was so apparent in the broader induces of the economy. Now, we look quickly at the single-family market, then at the condominium (in a bit more depth, as this is the market that compares most closely with the proposed development).

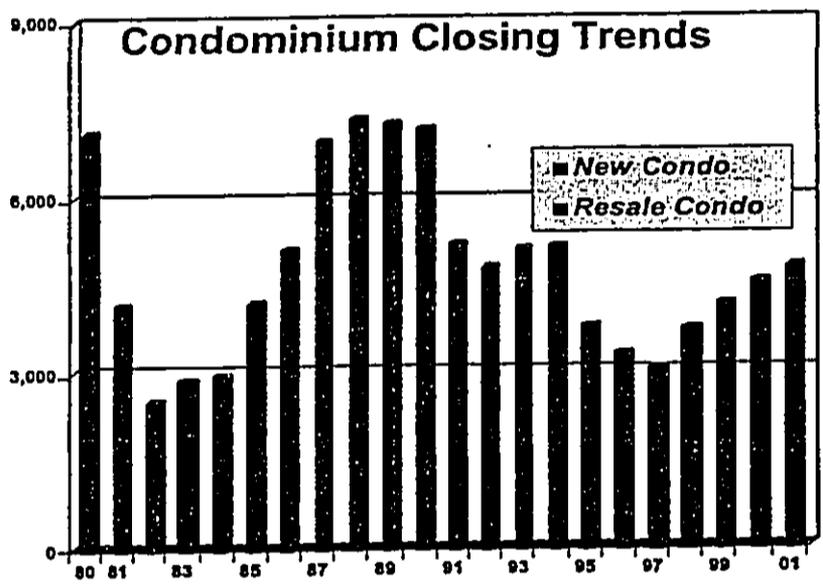
SINGLE FAMILY

CLOSINGS: Overall closings for single family homes, both resale and newly built, came in last year at 4,865 units. This was an all-time record number, nosing ahead of the previous one (4,813 set in 1987) by 52 closings. In and of itself, the market is 13% up from 2000 and 90% up from the last low point in the market cycle, set in 1991.

PRICES: Overall, the prices in the total single-family homes market – newly built as well as previously owned homes -- strengthened last year. On an aggregated basis, median prices (estimated) in the single family market rose 2% to \$299,000 from \$292,000 in 2000. Resale single-family home median prices completed their first back-to-back annual rises: 1.7% last year, and the same the year before. The last time that happened was seven years ago, when prices went upwards between 1991-1993.

LISTINGS: The number of resale listings have fallen again this year, making that three years in a row they are down. The decrease was about 7%, and that puts supply down by some 37% from its last peak in 1996.

Up until 9/11, listings were declining due to steady demand (i.e., strong sales). Since then, we are beginning to see that they also have declined because the number of new listings coming to market has fallen



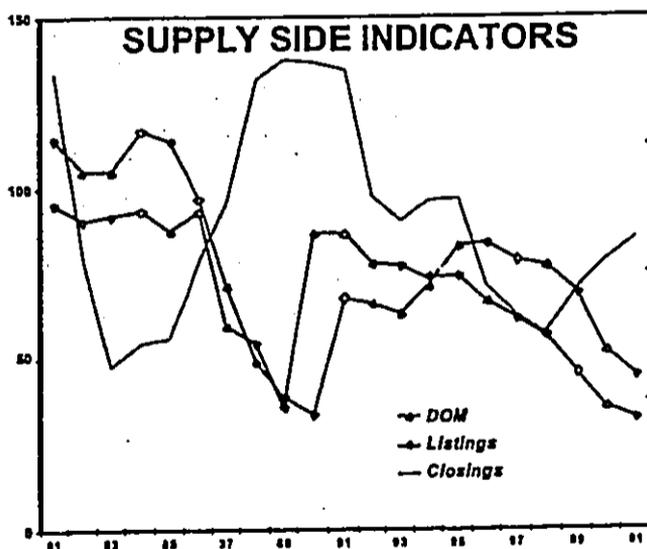
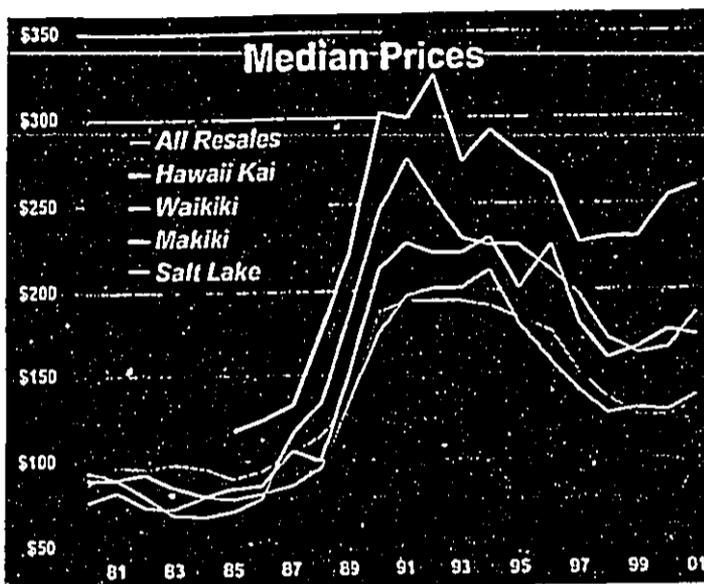
DAYS ON MARKET: Days on Market, the time that a house 'sits on the shelf' before being bought, shrank again this year, going from a median of 52 days in 2000 to 45 days by the end of 2001. This (see the red line, in SUPPLY SIDE TRENDS Chart) is a decrease of some 13%. The faster that listings become sales, the better the market is for sellers, and this has been happening over the last five years. For this current period, the rise in the number of sales has pushed listings and DOM to very low levels.

MONTHS OF REMAINING INVENTORY (MRI): MRI relates sales activity to listings so as to indicate whether demand is exhausting supply (a shrinking number, or trend) or supply is overwhelming demand (a growing one). Here, the trend is favoring sellers, as demand continues to show more strength than supply. This indicator fell to 5.7 months at the end of 2001, 3% lower than 2000. Like listings, it has been falling for five years straight.

CONDOMINIUMS

CLOSINGS: The total condominium market – newly built homes and resales – grew again in 2001, the fourth straight year. Unit sales rose 240 units last year to 4,804 homes (see CONDOMINIUM CLOSING TRENDS Chart), up from 4,564 the year before. This was an increase of 5% – good growth, indeed – but half of what it has been the last two years.

The driving force behind this good performance is the resale market (see light blue bar): total sales were 4,259 homes last year, up 333 units, or 8.5%, from 2000's level of 3,927 homes. There has been five straight years of growth, three of which were over 20%. It now stands 114% above where it was at its last low, set in 1996. The new homes market (see violet bar) has not contributed to this growth at all: it was off by some 90 units from last year, a decrease of 15%. Indeed, condo development is at an all-time low... with the last bottom set back in 1982. The last time the developer's market rose was back in 1998, when it enjoyed sales of 1,150 units.

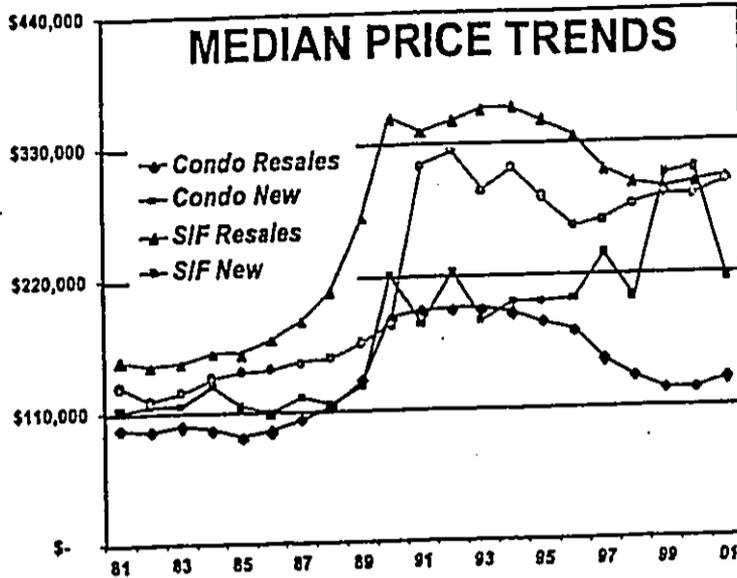


PRICES: The overall median price of a condominium on Oahu last year came in at \$142,200, 5% lower than they were the year before. The largest component of this market, the resale market saw its median price for 2001 hit \$133,000 (see MEDIAN PRICE Chart, pink line).

This achievement is remarkable in two senses. The first is that the last time that median prices rose was almost ten years ago, 1992. The second is that median prices are back where they were in 1989. Indeed, this long period of declining prices

is what has held back developers from producing units for this market.

Next, for developers of new homes market, their median price was about \$215,000 in 2001, off by some 30% from 2000. This fairly dramatic decline in prices was due to close out in 2000 of a number of high priced projects, including Hawaiiki Tower & One Archer Lane (and to the fact that another one, Harbor Court, was slowed down in order to clarify the leasehold issue).



Finally, regarding the neighborhood components of the resale condo market, median prices rose in every one of them (see MEDIAN PRICE Chart), save for Makiki (yellow line). Salt Lake (green line) went up by 6%, Waikiki (light blue line) by 12.5% and Hawaii Kai by 2%... but Makiki fell 2%. But, given that Makiki's prices had risen each of the last two years, by over 10% overall, a little weakness is understandable.

LISTINGS: The level of condo listings (see SUPPLY SIDE INDICATORS Chart, blue line) at the end of 2001

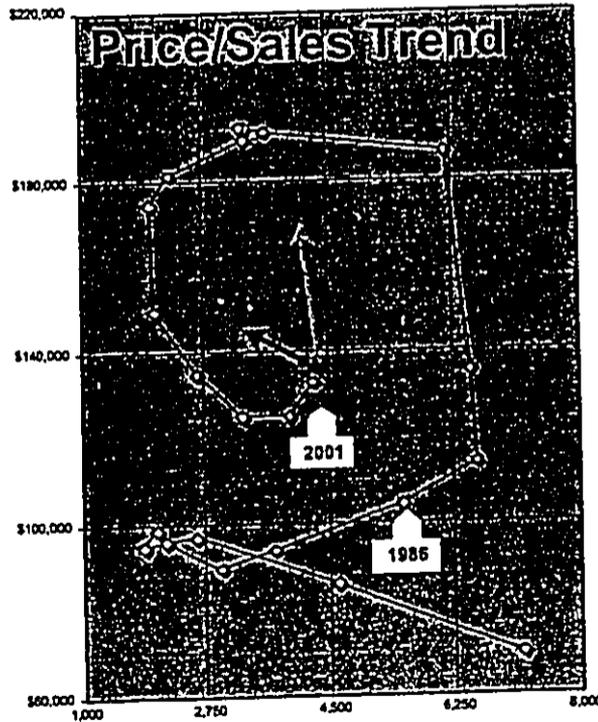
had fallen to an all-time low: 1,741 units being marketed. The previous record was set last year, with 1,895 units on the market in December 2000. Overall, they are off by 62% since the last peak in 1991... and have fallen every year since 1995. This is a very tight market.

Days on Market (DOM): The average time elapsed from listing to contract is currently at 88 days (see SUPPLY SIDE INDICATORS Chart, red line). This is a relatively low reading for this indicator: it is down 66% from 1995's peak for the cycle of 111 days. However, the trend has been reversed this year, with the current level about 10% higher than it was in 2000.

Months of Remaining Inventory (MRI): Like the other supply-side indicators for this market, this one is characteristic of a tight market, with 5.8 months of inventory currently available to buyers. It has been declining for the last 6 years straight, and is currently 74% below the most recent top of the market, 21.7 months set in 1995.

PREDICTION

Here, please refer to the chart entitled "PRICE/SALES TRENDS." The points on the blue line represent the intersection of resales closings and resales median prices for every year since 1978. As can be seen, the line starts at 1978, when the annual closings were some 7,300 and the median price was \$69,000. The line ends at 2001's unit sales of 4,260 closings and median price of \$133,000.



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There are two other call-out boxes inset into the chart: 2001 and 1986. We delineated 1986 because it illustrates a point in the real estate cycle that might relate to the direction the market might move in.

In the case of 1986, the market had undergone four years of growing sales and two years of gently rising prices. Thereafter, the market heated up, and prices rose dramatically. This is a point similar to what was occurring up to and including 2001. Given no special circumstances, it was expected that 2002 would bring higher sales and higher prices.

This would have been an easy prediction to make, if the 9/11 sneak attack had not happened. Instead, dramatically curtailed visitor arrivals precipitated widespread job and wage losses in the local economy.

Notably, however, this has not disrupted the condominium market: sales are higher, prices are higher, new listings are steady (albeit with slightly lower pricing). In addition, the mainland visitor market has held up well... and the Japanese market has made an unexpected comeback. Visitor arrivals from there, down 40% in September, are now projected to be at 100% of 2000 in the third quarter 2001, and be ahead (110%) of 2000 in the fourth quarter of 2002. In a sense, it is fortunate this happened during a rising market, inasmuch as it will, at the very least, relieve some of the market pressures that had been building over the last few years.

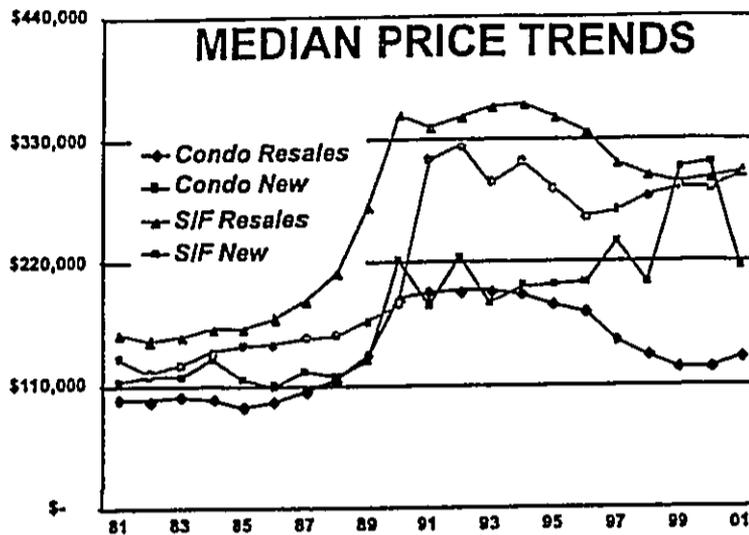
NEW HOMES DEMAND:

As seen in the table below, the market for new homes on Oahu grew nicely in 2001. For the year 2001, sales are 9% higher, and closings are up 11%, on 2000. Looking ahead, developers enjoyed a great December, in terms of new contracts written. They were up 19% over sales last December (2000), which itself was 20% ahead of 1999's December.

SALES, CLOSINGS, NUMBER OF PROJECTS ONGOING & AVAILABLE UNITS

	1999	2000	2001	% Δ 00	% Δ 01	# Δ 00	# Δ 01
Sales	1,782	1,597	1,740	-10%	9%	-185	143
Closed	1,740	1,454	1,611	-16%	11%	-286	157
Projects	34	32	37	-6%	16%	-2	5
Avails	1,535	760	487	-50%	-36%	-775	-273

Over the last few years, the number of newly built units available for sale has declined dramatically. This is because the development market was saddled with too much inventory and it took some time to work through.



Relative to resale homes, NEW HOME developers have been able to enjoy raising their prices (see MEDIAN PRICE TREND Chart, light blue and pink lines). Why? They have become wisely selective in which market they service, and many are flexible enough to produce higher priced homes for higher income buyers.

Case in point is the infill projects in Hawaii Kai and downtown. For example, for the high-rise condominium market, such as Hawaii Kai and

Naaru Towers, the developer was able to price his homes about \$200,000+ over market. In addition, single-family market developers have been able to set premiums of \$40,000-\$100,000 over market in the Mililani and Hawaii Kai master planned developments.

THE LONG-TERM DEMAND FOR HOMES:

As described earlier in the section on the economy, jobs and personal income for those living on Oahu are slated to grow over the next few years, and grow well. This expansion of buying power will stimulate Oahu's housing demand in several ways. First, it will give those presently housed the confidence and wherewithal to move to a better home. Second, it will give those who are not housed the same means to go out and purchase a new home. And, finally, it will stimulate immigration, which will again put pressure on the real estate market to provide housing.

Looking at the long-term demand for housing, we turn to DBEDT's latest long-term 2025 forecast. According to these state economists, population growth is forecasted to rise steadily over the long run. This, in turn, will create a steady demand for new homes. Given their population growth estimates, we estimate that demand will be on the order of some 1,600 new homes needed annually between 2000 and 2005.

Besides population growth driven housing demand, job growth derived housing demand looks even stronger. Given DBEDT's forecasts of some 6,200 jobs per annum, the potential demand for housing looks to be 3,100 new units annually. While there is a lag time between job growth and housing demand, eventually demand does expand, something last witnessed in the late 80s and early 90s, when lack of housing supply at the middle and lower income ranges resulted in an affordable housing policy put into place.

In the face of this, new homes production over the last 5 years has been around 2,200 units. While this is sufficient for population growth derived housing demand, it is woefully insufficient for job creation based housing demand. In addition, about 15-25% of these units have been sold as second-homes, so that these units are not serving the housing needs of local residents.

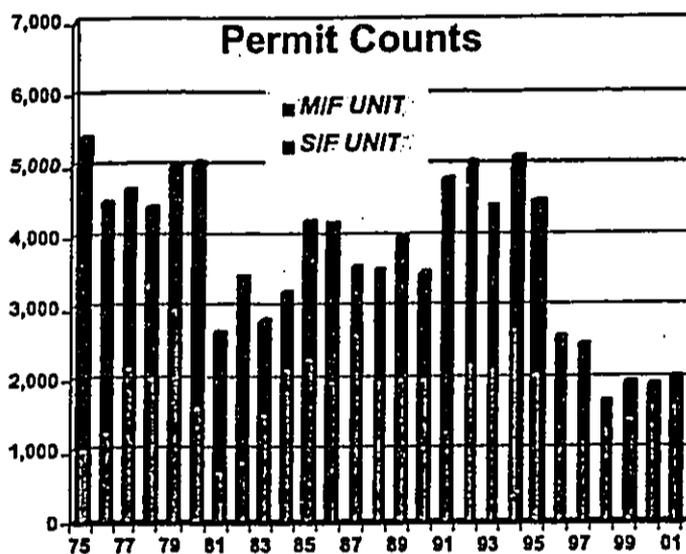
In sum, local economic and government planning professionals are predicting good growth in the economy, as well as steady growth in housing demand, over the next few years. Given the level of

this demand, there are no readily apparent new sources of supply that will match that demand. As such, there is a good potential for rental rates to be moving upwards over time.

NEW HOMES SUPPLY:

Given that the residential real estate market has enjoyed good demand over the last few years, we turn to the supply side of the market to see if conditions are responding to that demand. The best indicator as to supply conditions in the near and the medium future (1-3 years) is the number and the value of residential construction permits taken out by developers for building houses.

ALL HOUSING PERMITS: Historically, current housing production is way below the normal level of construction of new housing on Oahu over the last 25 years, as seen in the PERMIT COUNTS Chart below. Indeed, the level of total housing permits pulled in 2001 was 2,046, some 3,000



units below the last peak in 1994. This 2,046 housing permits is 60% under the 1994 peak and 39% below the 10-year average of 3,344 permits pulled annually.

Furthermore, the composition of the housing built has shifted dramatically. Up until four years ago, the condominium, or multifamily (M/F), component of permits pulled was on a par with single family (S/F) homes. Indeed, the ten year average share of market for M/F permits was 42% (with S/F being 58%). But last year, this share was 18%, and the year before that, it was 13%.

MULTIFAMILY PERMITS: From 1975 the total number of multi-family permits declined steadily for more than a decade, appearing to bottom out at approximately 800 permits in 1987. Between 1988 and 1991, multi-family construction began to increase again, as more up-scale condominium products were developed. However, the economy started to turn downwards in 1990, with the result that developers began to focus on producing more affordable products (mainly town homes) in West Oahu.

In the 1990s, the trends in permits show that single-family production has been going between 1,200 and 2,700 units. Much more dramatically, condominium production has swung between 250 and 3,500 units. As can be seen in the chart of all building permits, the single-family permits had bottomed out in 1997, three years ago. Condominiums, on the other hand, have yet to see a bottom.

As can be seen in the PERMITTED UNITS & VALUE/UNIT Chart below, the numbers of permits have fallen precipitously since 1991. Additionally, the per unit condominium values have been trending downward. There have been a few upward spikes, caused by a large scale, high-end project coming to market, like the Nauru Towers development.

However, in the last three years, both the unit counts and the relative values have been falling, also a sign of a slow or depressed economy.

CONCLUSION:

Condominium production has fallen to very low levels. As a result, there will be no new inventory of units available, if the market demand turns up. The likely conclusion is that rental rates are positioned to move up rapidly, if and when demand turns up.

SUMMARY

Up until 9/11, the overall market for residential real estate looked ready to expand in terms of closings, as well as prices. This expectation was underwritten by a growing economy and confident consumers, who had had repaired their finances after the business doldrums of the early and middle part of the last decade.

The market was being pushed upwards by the growth in the single-family market: resales had hit a record number of closings, and new home developers were nearing record closings, as well as prices. The condominium market was growing nicely as well: resale listings were down to near record levels, fee-simple condo sales hit an all-time high last year, and median prices hadn't really started moving upwards yet.

However, the September sneak attack brought about island-wide job losses and pay cuts. As such, we began to expect a slowdown in demand in those parts of the market that service these job sectors. Which market segments are these? The properties that sell at the lower price points in the single-family market, as well as the medium priced units in the condominium market.

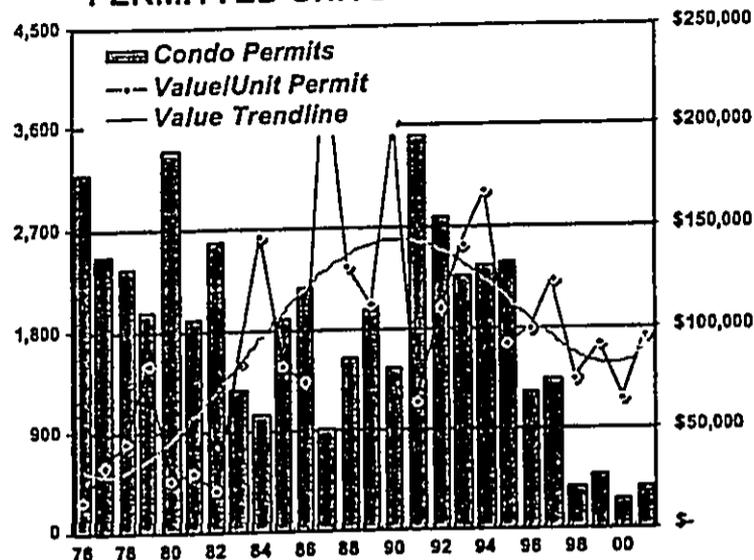
In reality, our fears have not been realized. The resale and the new homes market have continued to demonstrate strong demand. Indeed, we have come to the realization that the market might be more responsive to other factors, particularly by continued low interest rates.

In the longer-term, we see good housing demand forming, both feed by job creation and population growth. In particular, the island's population is aging, with a coming need for housing designed to accommodate the needs of elderly residents.

Against this, we see no oversupply of housing, particularly for multifamily units, in the short run. In fact, looking at condominium permitting activity, we see the opposite: the chance for an under supply of housing, particularly for the lower income groups.

Ultimately, we have not seen what happened in the broader economy echoed in the residential market. Indeed, now that the economy is recovering, we wonder whether there will even be much of a pause in the upward march of sales and prices.

PERMITTED UNITS & VALUE/UNIT



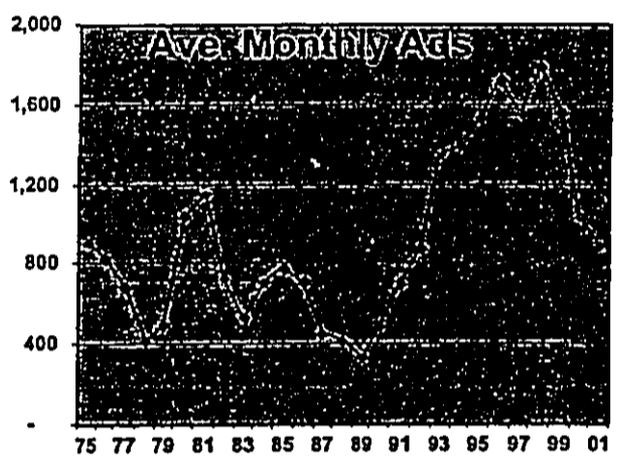
V. THE OVERALL RESIDENTIAL RENTAL MARKET

OVERVIEW: In reviewing conditions in the overall market for rental units on Oahu, one looks at a number of different indicators of supply and demand, including:

- Advertisements,
- Vacancies, and
- Average Rental Rates

A. RENTAL ADVERTISING

An excellent indicator of rental market supply conditions is the number of apartments that are advertised for rent in the local newspaper. This will be called "Ad Counts" in the following tables and charts, and we use it here as an indicator of the supply of rental units available to the market. In general, advertisement count is a counter-cyclical indicator: low numbers of advertisements are associated with strong (tight) rental market conditions while a high ad count number suggests there is excess supply relative to demand (a weak rental market: i.e., low rental prices).

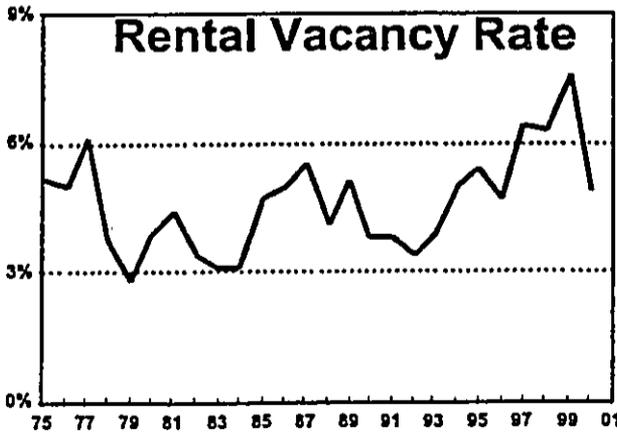


AVERAGE MONTHLY ADS Chart below shows the monthly count of all Honolulu rental advertisements since 1975. As it shows, the market went from a condition of being tight in 1987-1992, to being relatively easy, i.e., lots of rentals being advertised. This condition prevailed for about seven years, 1993-1999. Since then, the monthly ad count has fallen. It was down 13%, 34% and 14% in each of the last three years. It is 51% off of the peak of the market, and is heading towards the lower end of the cycle.

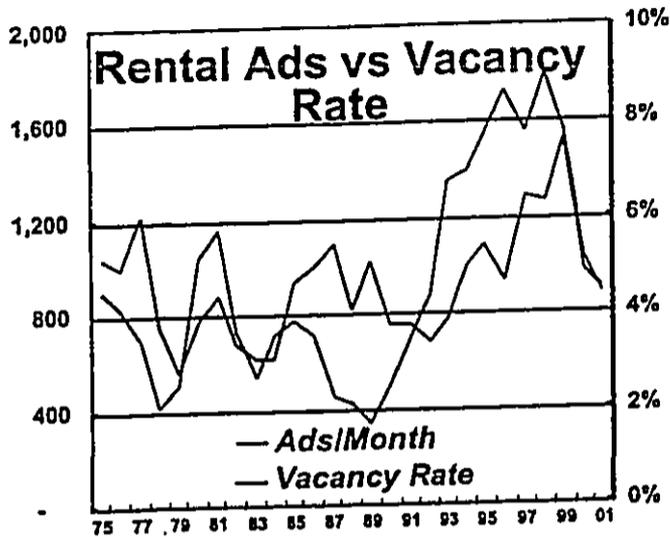
B. VACANCY LEVELS

Next, we looked at the level of vacancies for the metropolitan area of Honolulu in relation with the average monthly number of rental advertisements. The U.S. Bureau of the Census produced the vacancy data, using the latest data from the 2000 Census.

As seen in the RENTAL VACANCY RATE Chart, the annual vacancy rate for the City & County of Honolulu has bounced around between 3% to 6% on



average, over the past 25 years. The only real exception came in the midst of the economic doldrums the city suffered in the mid 1990s. Towards the end of the decade, 1999, vacancies rocketed to 7.6% (a rise over 1998 of 21%). The next year, 2000, it fell by 36% to a level of 4.9%, well within the normal range.



What will happen to the vacancy rate in 2001? We can only guess, but when it comes out later this year, a rate of around 4.5% would not be surprising. For most of the year, the rental market overall was tight and tightening.

In addition, we note the relationship between ad counts and vacancies. As seen in the RENTAL ADS Vs. VACANCY RATE Chart, it shows that changes in the number of ads foreshadow changes in the vacancy rates. When the ad counts begin to fall, then in short order following that the vacancy rates

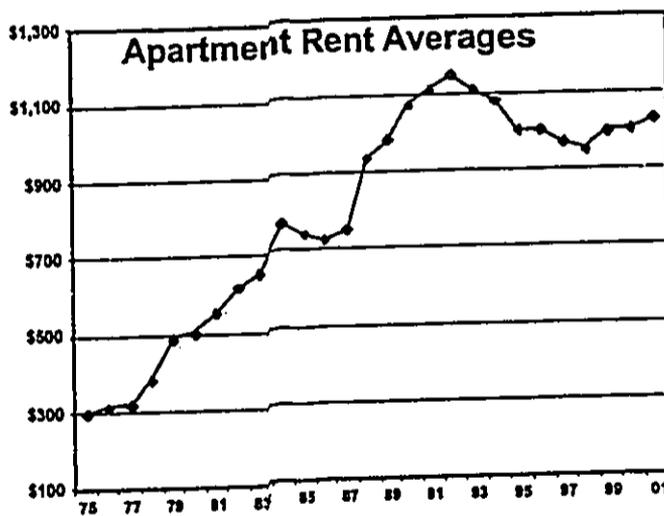
begin to fall. This lag time varies from one to three years, in the event of a peak in the market, as seen in the chart below.

Going forward, it looks like there should be at least two years of falling vacancies, which will be advantageous for all rental projects, including the subject property.

C. RENTAL RATES:

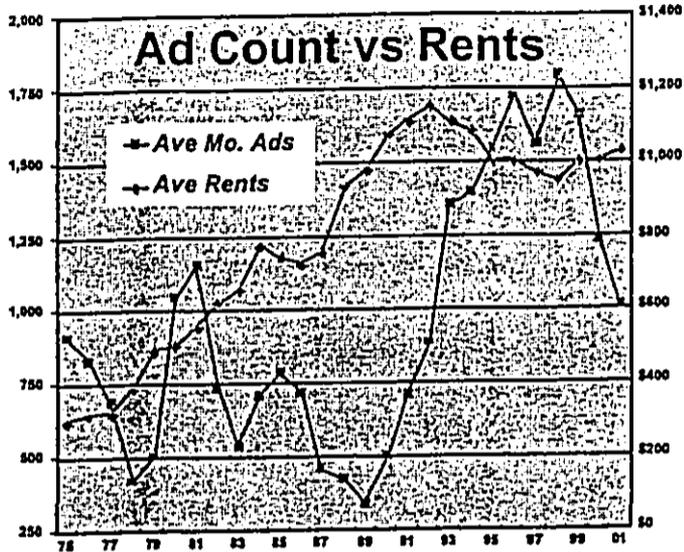
The average level of rents on an annual basis in Honolulu for apartment units has been on the rebound for three years, now. As seen in the APARTMENT RENT AVERAGE, apartment rents had been on a steep climb over the 1975-1990 period. Since the top of that rental cycle, rents went on the decline for six years, falling around 17%.

However, in 1999, the market turned around and began to climb. Over the last three years, rental levels have gone up 9%, and now sit at \$1,039.



Where will they go in the coming year? Our guess is higher. Why? There is an important relationship that helps to forecast the rental market: the relationship between the number of rental ads to the level of rents charged. This is seen in the AD COUNT Vs. RENTS Chart below, which

depicts the historical relationship between annual advertising counts and average rents for Metropolitan Honolulu.

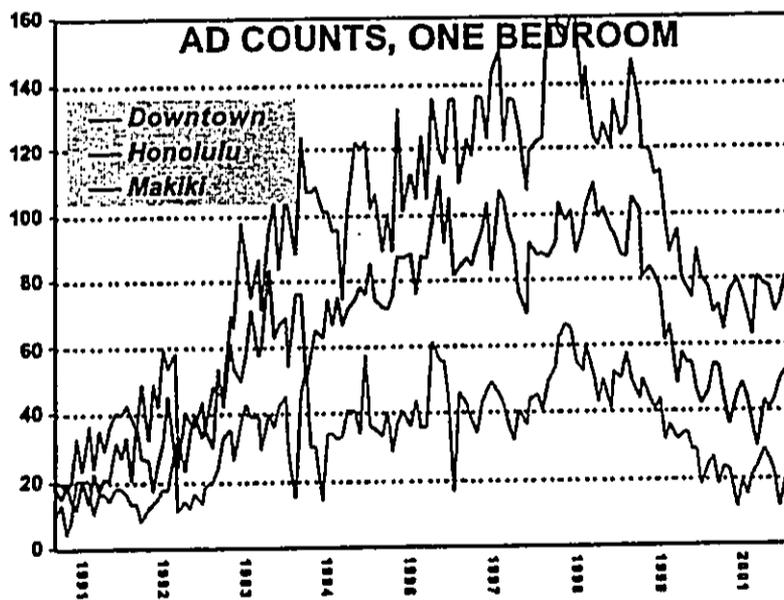


In general, the two lines seem to be inversely related: a falling number of ads appears to be a signal for a rise in rents. After a seesaw movement between 1996-1998, apartment advertisements have fallen dramatically, especially in 2000. Thus, it is quite likely that rents will continue to rise, or even accelerate.

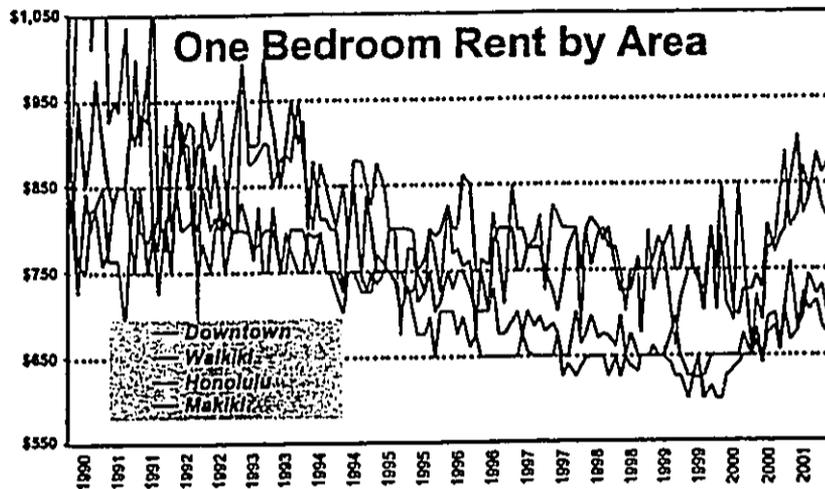
CONCLUSIONS: Overall, the rental market shows signs of growing tightness.

V. THE ONE BEDROOM RENTAL MARKET

ONE BEDROOM MARKET: Like the overall apartment market, the rental market for one-bedroom units mirrors the recent downward trend in the inventory of rental units. This is particularly so in the areas surrounding the subject property, Makiki, Waikiki and Downtown, as seen in the AD COUNTS, ONE BEDROOM Chart.

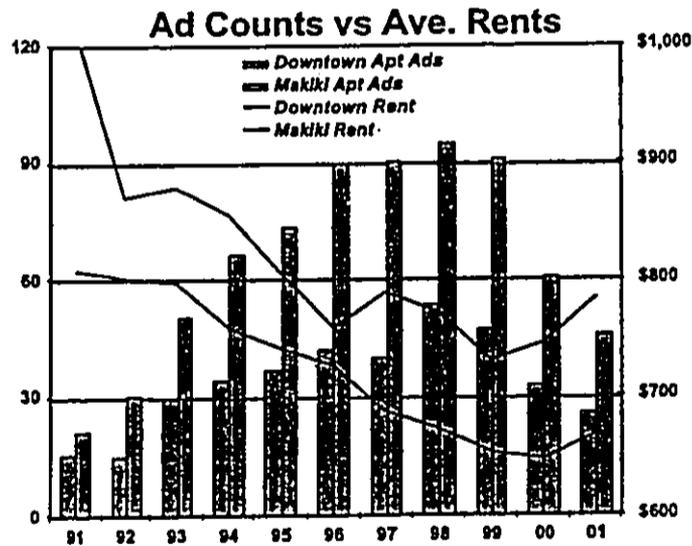


ONE BEDROOM RENTAL RATE AVERAGES, BY AREA: The rental market surrounding the proposed development is examined in the ONE BEDROOM RENT BY AREA Chart. It shows that the rental rates had been declining throughout the 1990s, up until the later part of 1999. Thereafter, rents began rising, adding about \$100-\$150 to their lows. This is consistent with the trend in the falling number of advertised units: the fewer there are, the easier it is for landlords to raise rents.



VI. RELEVANT RENTAL MARKET CONDITIONS

The chart below, AD COUNTS vs. AVERAGE RENTS, looks specifically at average rents and availabilities for units in and around the subject property. It zeros in on Makiki and Downtown Honolulu, as the other areas – Waikiki, Kapiolani, Kaimuki, Manoa – are much more expensive. The trends are shown that availabilities have been rising and rents have been falling for most of the decade. Then, around 1999-2000, a bottom formed and, by 2001, the market trends reversed themselves, with rents rising and availabilities falling significantly.



Finally, the following table describes the trends for one-bedroom rentals for the latest month of data and for the same month in the prior three years (November 1998, 1999 and 2000). It shows the area from Hawaii Kai through to Salt Lake. As can be seen, there are not many alternatives available to elderly, or anyone, at levels of rent that the subject property is providing.

1998-2000 HONOLULU RENTAL AD COUNTS AND AVERAGE RENTS BY PRICE RANGE

Price Range	Data	1998	1999	2000	2001
\$400-\$499	No. Of Rental Ads	2	6	5	4
	Average Rent	\$483	\$480	\$492	\$486
\$500-\$599	No. Of Rental Ads	83	81	45	34
	Average Rent	\$554	\$554	\$556	\$561
\$600-\$699	No. Of Rental Ads	112	108	62	52
	Average Rent	\$641	\$638	\$639	\$655

Finally, the rental ads in Oahu's leading print publication for rentals, Sunday Advertiser, were analyzed for ad counts and levels in the Island. The following summarizes a recent edition of this periodical (January, 2002), which gives us a snapshot of the multifamily rental market.

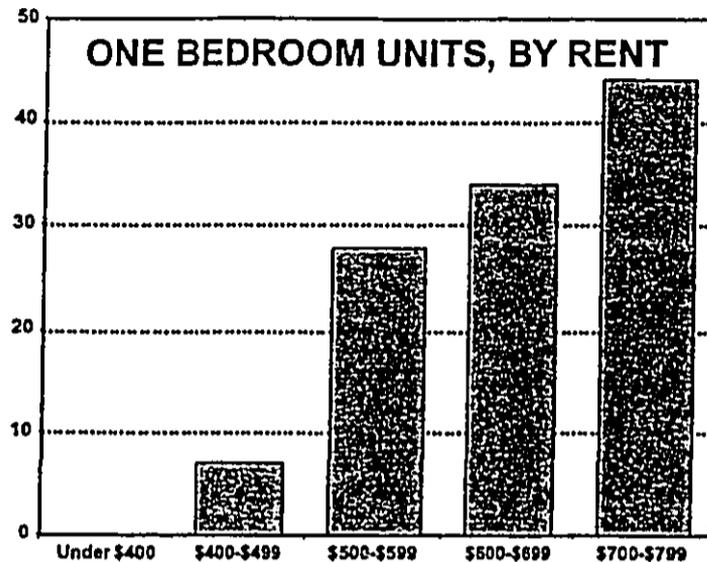
SAMPLED RENTAL ADVERTISEMENTS BY PRICE RANGE, AS OF JANUARY 2001

	Within Honolulu	Within Oahu	Totals
Under \$500	1	6	7
\$500-\$524	3	3	6
\$525-\$549	5	3	8
\$550-\$574	7	3	10
\$575-\$600	2	2	4

We note that the table does not reflect any rentals above the \$600/month level: while this is where the bulk of the rental opportunities lay, they were deemed irrelevant to the target market, who would be interested in renting units underneath the \$600/month level.

ONE BEDROOM ADVERTISEMENTS BY PRICE RANGE: When the one bedroom market is looked at in terms of the distribution by price range, the market for these rentals island-wide is weighted most heavily on the \$700-\$799 price range. The most relevant to the subject project is the one bedroom market in the \$400-\$499 and the \$500-\$599 rental ranges.

The ONE BEDROOM UNITS, BY RENTS Chart below shows that distribution for the latest data available (December, 2001) for the island of Oahu, and details that there are about 7 available in the \$400-\$499 price range and about 28 available in the next higher range.



In assessing the advertisements for these market rentals, the proposed development appears to offer a better value proposition to elderly renters for three general reasons.

- The first is location: the rentals in the \$500-\$600 rent range either are far away from the urban core, or they are in less desirable inner city neighborhoods.
- The second has to do with the condition of the rentals: many of those available in the \$500-\$600 rent range are walkup units, meaning that the elderly have no elevator alternative to use to go in and out of their units.
- The third, closest to a renter's heart, is that the cost of electricity use (personal) is included in the gross rent.

CONCLUSIONS: The proposed development does not have much competition from the open market of apartment rentals. In addition, as the state and island economy improves, we expect the market to tighten. This means shrinking supply and greater demand, which will raise rental prices of competing units on the "open market" (as opposed to the "restricted" market).

VII. SENIOR DEMAND FOR AFFORDABLE RENTAL UNITS

Now, we look at the sources of demand for the subject property. There are two general sources, 'new' demand, and 'existing' demand.

'New' demand is created when a household (whether a single person or a family) moves into the market. This can occur, in terms of this market, in two ways. First, a member of the household enters the market by dint of a birthday, i.e., turns from being 61 years old to being 62 years old. The second is when a member of a household relocates to Honolulu from another location.

Here, we describe and analyze the current demographics of the senior population of Honolulu, with particular attention given to those at or under the median income ranges.

A. "NEW" DEMAND (POPULATION GROWTH-BASED) FOR ELDERLY AFFORDABLE RENTAL UNITS:

OVERVIEW: We looked at the current demographics of the senior citizen population for the City & County of Honolulu. It looks back to the condition of this demographic in the 1990 census and then estimates the growth of this group by 2001, and then again over the next five years.

ELDERLY POPULATION GROWTH AND CHANGE, BY AGE GROUPS, 1990-2006

Age Group	1990 (Actual)	2001 (Estimated.)	2006 (Projected).	Δ % Growth
60 TO 64 YEARS	36,627	42,850	50,503	18%
65 TO 69 YEARS	33,951	35,547	40,726	15%
70 TO 74 YEARS	24,334	29,388	30,769	5%
75 TO 84 YEARS	25,923	35,107	38,483	10%
85 + YEARS	7,610	11,086	13,456	21%
	128,445	153,978	173,936	13%

DEMOGRAPHIC CHANGES AND TRENDS: Overall, the elderly population grew by 20% over the last 10 years, from 1990-2000. These projections are going to grow in size, going forward: for the next five years, there is a 13% projected population growth rate. This works out to 19,958 more seniors in 2006, or about 4,000 more per annum. This provides an idea of what the additional demand for rental units on Oahu by the senior citizens of society. This growth should help to sustain demand for the proposed development.

Next, we break down this annual increase of 4,000 potential new renters by income ranges in order to arrive at an estimation for demand from seniors making the appropriate income (target market).

There are two target markets for this project.

The first includes all households that make an annual income of between \$13,550 (one person household) and \$15,550 (2 individuals), i.e., which constitutes 30% of AMI. The census projections we used earlier allowed that this target market constitutes about 8.25% of all senior households.

The second includes all households that make an annual income of between \$27,120 (one person household) and \$31,020 (2 individuals), which constitutes 60% of AMI. The census projections we used earlier allowed that this target market constitutes about 17.76% of all senior households.

This yields an estimation of how many new renters there will be per annum who can qualify for a senior affordable unit.

At these levels, every year from 2001-2006 there would be some 790 to 970 more households entering our target market (i.e., those who are seniors and who make between \$0 and \$31,020 per annum). (In fact, of this average 800 new households per annum, some 325 are those who are in the 30% AMI or less target market).

CONCLUSIONS: We estimated the annual potential new demand on the part of qualified individuals for these units to be around 800 rentals units overall, broken out as follows: 325 new

elderly affordable households would qualify for the 30% AMI units, and the remaining 475 new households would qualify for the 60% AMI units.

If the proposed development could but attract but a tenth of that market in any one year, the project would be oversubscribed within 6 months.

B. EXISTING DEMAND FOR ELDERLY AFFORDABLE RENTAL UNITS

Another source of dynamic demand comes from renters willing to relocate. It is conceivable that this project will draw demand from the already renting senior apartment dwellers in other senior rental condominiums. While there could be any number of reasons, two stand out as particularly plausible.

1. The first would be that renters would be willing to relocate in order to enjoy a 'better' location. Here 'better' could mean a number of things, including being closer to relatives, to more reasonable shopping facilities (around Piikoi and King Street), to better medical and other services and/or to recreational facilities (such as the Park at Ala Manoa).
2. The second would be that renters would be enticed to move to a newer building. As noted in the permitting analysis section, there has been a downturn in condominium construction activity, and the stock of residential condominiums is aging. As noted further on in this report, between 1980 and 1989, approximately 1,250 affordable rental units were built in metropolitan Honolulu: many of these renters could relocate to the subject project.

As such, we made an estimate of overall demand for the project, given that some of the existing pool of potential renters who are renting at other senior affordable projects would be willing to relocate. Starting with this overall number, we then broke it down by income brackets (allowing us to project the level of demand for the subject development much more accurately).

The elderly population projection for the timeframe of 2001 by income ranges for Oahu looks like this (note: these numbers are more conservative than if we had used the larger ones – as the baby boomer bulge advances – that come with the passage of time, 2002-2006):

POTENTIAL DEMAND FOR AFFORDABLE RENTAL UNITS For the Year 2001 (Estimated)

	30%	60%
60 TO 64 YEARS	2,614	6,856
65 TO 69 YEARS	5,871	7,109
70 TO 74 YEARS	628	5,878
75 TO 84 YEARS	2,251	7,021
85 + YEARS	2,068	2,217
Total	13,431	29,082

The table it shows that there are about 30,000 senior households (29,082) that make under \$31,020.

Of this, there are potentially 13,430 renters available for the 7 units currently targeting the 30% AMI market for the proposed development.

In addition, there are a potential 15,561 renters available for the 55 units targeted on the 60% AMI senior population.

Next, we took this potential demand, and tried to project a more definite demand figure for the project. We assumed that there was some percentage of the total market would prefer not to rent, but instead either live with relatives or stay at home. As such, we wanted to run a projection reflecting this.

We chose a 1% factor, i.e., one in one hundred potential qualifying renters would apply. While we have no quantitative survey instrument or other forms of hard data to support our selection of this factor, we tried to be conservative. Further, we tested our methodology with professionals and other staff in senior affordable rental apartment management firms. They verified that it was a reasonable assumption, particularly in light of the lack of availability in the market, and the lack of quality housing in the area for this group.

Given this 1% factor, we estimate there would be some 134 renters who would apply for the 7 units targeting 30% AMI and 156 qualified renters who would apply for 55 units targeting the 60% AMI renters.

CONCLUSIONS: Thus, we conclude there is more than sufficient demand from current qualifying renters who would wish to move into the proposed development from their current location (either an inferior rental, or less-than-adequate living quarters, either a crowded family home, inadequate rental conditions or location, or a combination).

OTHER SOURCES

In addition to the overall aging of the population already in place, there will be additional demand from the net migration coming to the islands. For instance, the percentage of elderly to the total population is greater on the outer islands than on Oahu – conceivably, some of those people could come to Honolulu to be close to family and/or services, and end up renting at the subject project. By the same token, there could be demand for affordable rentals coming from people on the mainland seeking to escape the extremes of heat and cold there.

VIII. THE CURRENT SUPPLY OF AFFORDABLE RENTAL UNITS FOR SENIOR CITIZENS

Here, we review the supply situation for units similar to those being contemplated by the proposed development.

CURRENT MARKET CONDITIONS: The following tables summarize potential competitive projects.

COMPARABLE SENIOR AFFORDABLE PROJECTS WITH ONE-BEDROOM UNITS

Project	Units	Living Area	Rent Range	Vacancies
Honuakaha	9	488-516	\$450	0
Kulana Hale	42	525	\$726	0
Manoa Gardens	16	565	\$714 - \$720	0
Pohulani	132	550	\$466 - \$716	0
Royal Kinau	60	480	\$510	0
Wisteria Vista	91	384	\$498	3
Kalakaua Vista	80	420	\$313-\$551	NA
Kaneohe Senior	44	428	\$595	0

As shown in the tables above, comparable rental rates for one-bedroom units range in rent from \$450 to \$726 with interior areas between 450 and 565 square feet. Comparable "affordable" units have similar living areas to "market" units; however, "affordable" rents are approximately 20 to 30 percent below the market averages.

The most recently completed project that compares to the proposed development is Kalakaua Vista, located in the neighborhood of the subject property. It has been operational since just last year with 91 one-bedroom units. As it has just commenced marketing, it has not had enough time on the market for its current vacancy number to be very relevant to this study.

PROJECTED NEW INVENTORY: Within the Metropolitan Honolulu market area, currently there are two new affordable elderly rental projects planned to be built, or being built. As shown in the table below, there are approximately 203 senior units planned.

PROJECTED METROPOLITAN HONOLULU AFFORDABLE ELDERLY RENTAL PROJECTS

New Projects	Elderly Units
Hawaii Kai Affordable Senior Rentals (2002)	5
Kaulanui Senior Apartments (2002)	31
Totals	36

Kaulanui Senior Apartments is a 30 one and two bedroom unit project in Hawaii Kai. It is targeting half of its units for those in the 30% AMI range (\$363) and the other half in the 60% AMI range (\$726). Completion is estimated for 2001.

The Hawaii Kai affordable elderly rental project is part of a larger complex. It is breaking ground this year, and has only 5 units that are targeting renters whose income is in the 30% income bracket of AMI.

There may be other projects in the works that are not mentioned here – it is said there are a number of local and off-shore investment entities researching the opportunities in the senior rental market, both in terms of building new and in converting already constructed apartment buildings. That said, the process of applying and being accorded tax credits takes about 12 months, and is a competitive process. Add to that the 12-month period for build-out, and you have a two-year timeline before occupancy. In any event, by that time, the proposed project should be completely occupied.

IX. COMPETITION WITHIN THE ELDERLY AFFORDABLE RENTAL MARKET

WAIT LISTS: Rental agents specializing in the senior market sector have indicated that demand for affordable senior rental housing on Oahu still remains tight overall, and is very tight in metropolitan Honolulu. Indeed, most senior affordable rental projects have waiting lists of 2-6 months. Generally, the waiting lists are longest on projects with the lowest rents; specifically, projects where rents are set at 30% of the tenant's monthly income.

The City & County of Honolulu currently has approximately 3,100 certificates and vouchers available to qualified families. Even though the HCDCH and Honolulu City & County Housing Office assisted senior rental housing waiting lists may over-state total potential need, they do give a clear indication that a shortage of affordable senior housing still exists.

RENTER PREFERENCES: In terms of meeting the qualitative needs of senior affordable renters, rental agents and other professionals have made the following observations:

- The 'location' is very important to renters. The preference here is determined by proximity to family and friends, proximity (or the facility of access) to the necessities of shopping, recreation, medical services, etc.
- The condition of their living facilities is very important: in general, the physical housing plant on Oahu, and particularly those in the center of Honolulu that would house senior citizens, has aged over the last decade -- the economic slowdown has retarded the impetus to either build new facilities, or upgrade present ones.
- Seniors prefer that the rental levels be 'gross' in the sense that the utilities are included into the total rent.
- In general, seniors prefer a one-bedroom configuration to a studio unit.
- Seniors prefer a unit with an ability to place 'walking' grab bars alongside the walls, as well as walk-in showers (as opposed to bathtubs)

SUMMARY: A review of the competitive environment the project will be operating in shows that there are signs of good demand for such units. Further, on the qualitative side, the project meets or exceeds a number of renter preferences, particularly the two most important -- good location, new construction and sensible design.

X. ABSORPTION ANALYSIS

Housing absorption analysis is performed here in order to be able to project the point at which supply meets demand -- where equilibrium is achieved at a particular moment for both price and units. For this project, the most important factor appears to be a limitation of the supply of rental units suitable for the target market. This lack of supply is indicated, as noted above, by the wait list of the state and the lack of vacancies in the competing projects. It is buttressed by the additional fact that there does not look to be any competition on the horizon -- nothing that would change the present 'supply-constrained' condition of the market (i.e., there are no projects in the pipeline that would come to market with number of units which would absorb much of the existing demand).

Factors on the demand side that are acting in support of the projection of quick occupancy for the subject project:

- There is demographic analysis showing a growing population of senior citizens, many of whom will demand affordable rental units.
- There is the coming bulge in the demographic distribution of the baby boomer generation, reaching the age of 62 (the demographic effect, as the baby-boom generation reaches maturity), plus the fact that people are living longer.
- There is demand also coming from the present group of renters, who would transfer in order to upgrade their accommodations.

In consideration of the supply constraints and of the demand pressures, it is likely that the project will be given strong consideration by a large number of potential renters in a very short span of time.

Relative to most other new senior affordable projects, Kinau Vista offers a superior location and new facilities. In return for enjoying those benefits, the prospect will have to be willing to accept a slightly smaller sized residence. However, the prospect will be accorded the additional benefit of paying less than most of the other projects. Given that these other senior rental projects are currently fully occupied, it is likely that all current and future demand will be directed to the proposed project.

XI. CONCLUSIONS

Overall, the economic and residential real estate conditions were shown to be creating the kind of demand that would be favorable to the kinds of units proposed by the subject project. In general it appears we are entering a market cycle that is characterized by low supply and growing demand.

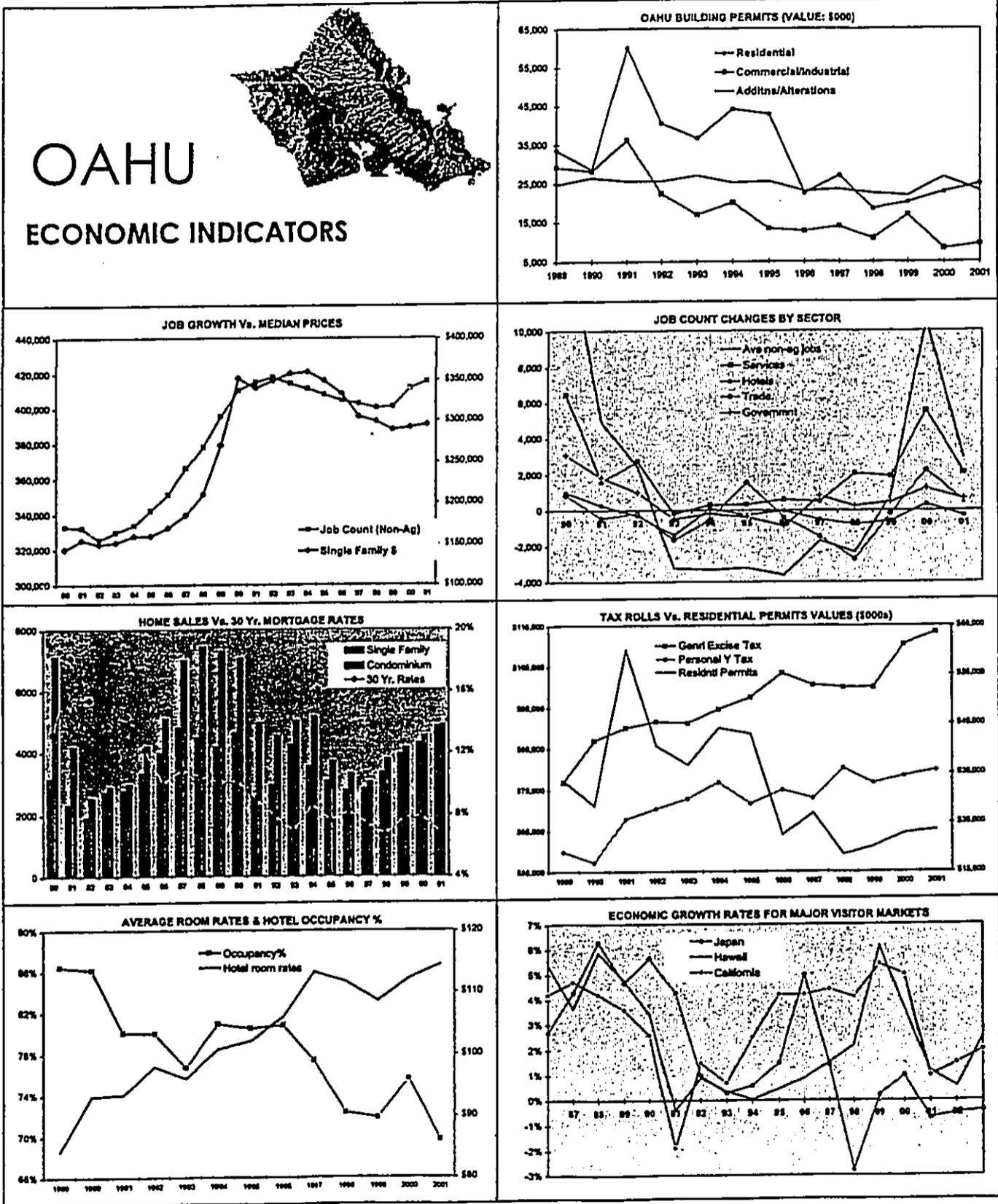
Oahu's overall rental market shows signs of having bottomed out, with upward pressure on rental rate noticeable in several neighborhoods, including those surrounding the proposed project. There are wait lists in place for senior rental units, and the present inventory is almost 100% occupied, again with wait lists. In addition, an examination of the projected growth in the numbers of households in the targeted market was performed and it was shown that demand, both potential and 'effective' should be more than sufficient to absorb the number of proposed units.

On the supply side, the tight market conditions prevailing in existing senior affordable rental projects were noted. In addition, an examination of future supply was made and we concluded there are few projects in the works that target either the general rental market demand, or the specific target market demand (senior affordable rental demand). We concluded that neither current nor future supply does not appear sufficient to absorb significantly the current and projected demand in this market.

Given these indicators, the project should be able to achieve similar rental rates of other affordable rental projects (from \$510 at Royal Kinau to \$726 at Kulana Hale) and achieve a rapid absorption. The developer can anticipate between 170 and 210 applications within six to twelve months after marketing is commenced. Of those, the developer should be able to convert enough to be able to reach final occupancy within a six to twelve month period after the project has been completed.

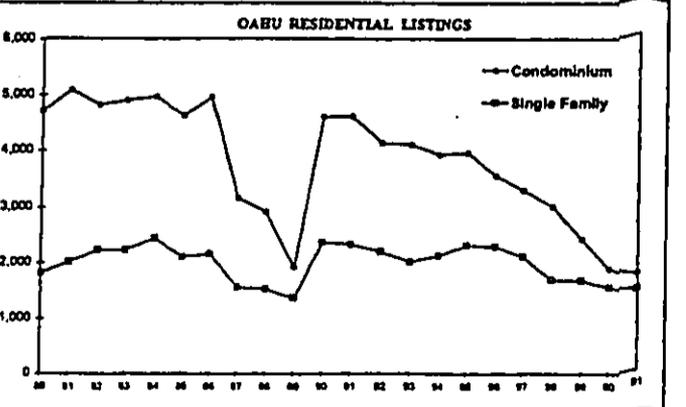
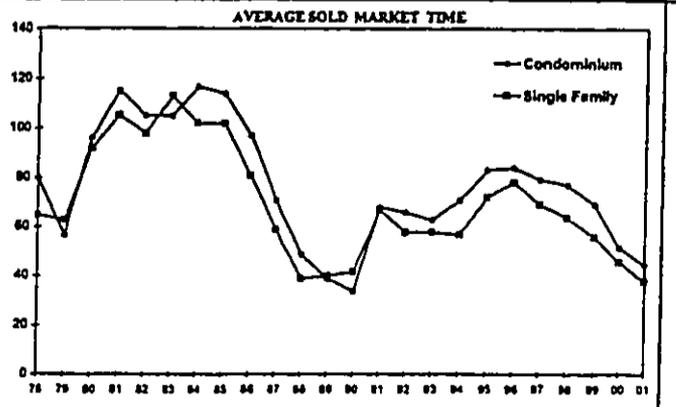
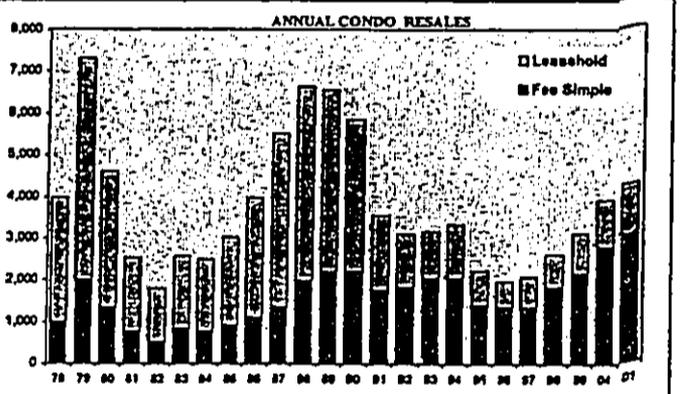
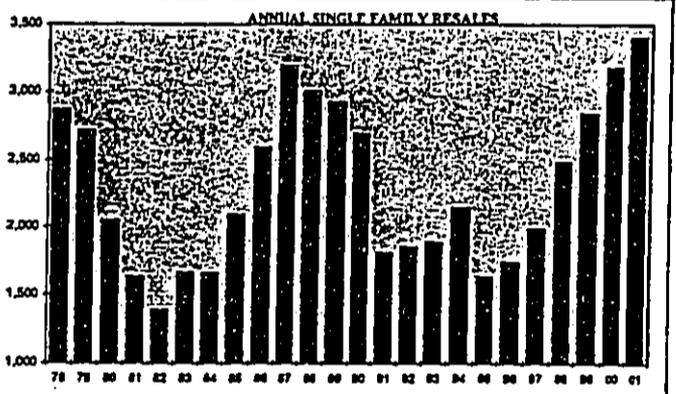
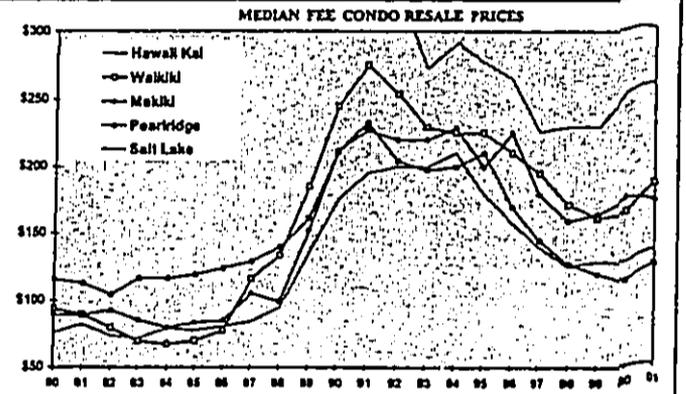
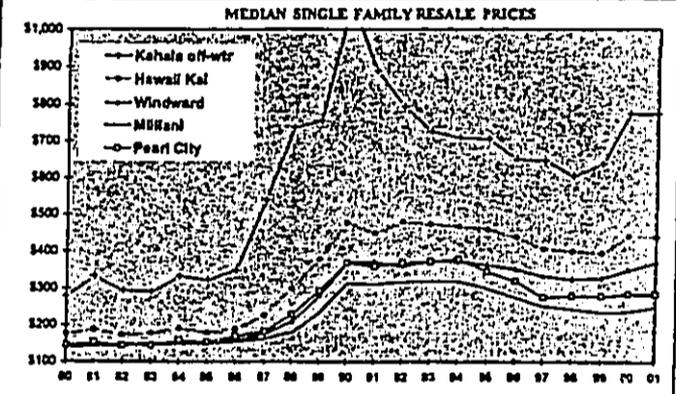
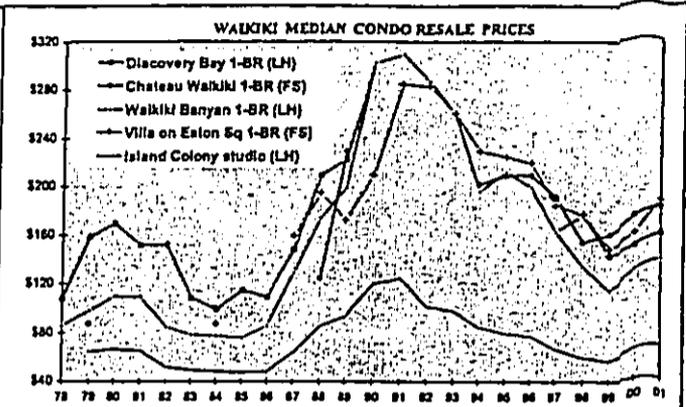
APPENDICES

- ECONOMIC INDICATORS
- REAL ESTATE INDICATORS
- DEMOGRAPHIC TRENDS



OAHU INDICATORS

PRUDENTIAL LOCATIONS Real Estate Sales & Research

DEMOGRAPHIC TREND

Prepared For: Data@Work

Project Code: Zane/Furuta

Type: Standard Geography (Aggregated)

See Appendix: Geography List

Site:

AGGREGATED GEOGRAPHIES

DESCRIPTION	1990 CENSUS	2001 ESTIMATE	2006 PROJECTION
POPULATION BY RACE	836,231	879,874	897,042
NON-HISPANIC WHITE	29.85%	25.83%	24.92%
NON-HISPANIC BLACK	2.96%	2.58%	2.50%
NON-HISPANIC ASIAN + P.I.	59.80%	63.96%	64.90%
NON-HISPANIC A.I. + OTHER	0.59%	0.94%	1.01%
HISPANIC ORIGIN POPULATION	6.80%	6.70%	6.67%
HOUSEHOLDS BY INCOME	265,625	291,270	300,494
\$150,000 OR MORE	2.39%	7.40%	11.52%
\$100,000 TO \$149,999	5.51%	12.58%	13.92%
\$75,000 TO \$99,999	9.49%	14.35%	14.15%
\$50,000 TO \$74,999	21.50%	21.33%	19.82%
\$35,000 TO \$49,999	18.87%	15.42%	15.14%
\$25,000 TO \$34,999	14.34%	11.18%	10.19%
\$15,000 TO \$24,999	14.51%	9.52%	8.26%
\$ 5,000 TO \$14,999	9.87%	6.04%	5.27%
UNDER \$5,000	3.52%	2.20%	1.74%
AVERAGE INCOME	\$49,930	\$72,175	\$83,195
MEDIAN INCOME	\$41,173	\$56,623	\$61,876
POPULATION BY SEX	836,231	879,874	897,042
MALE	50.94%	50.52%	50.42%
FEMALE	49.06%	49.48%	49.58%

APPENDIX VII

**MAJOR EXEMPTIONS BEING REQUESTED
THROUGH THE 201G APPLICATION**

**KINAU VISTA - MAJOR EXEMPTIONS BEING REQUESTED
THROUGH THE 201G APPLICATION**

- A. Exemption from Chapter 21, Article 3, Section 21-3.90-1 (b), Land Use Ordinance, Ordinance No. 99-12, as amended, Table 21-3.3, relating to maximum density, to allow about 39,051 square feet of floor area, which exceeds the maximum allowable floor area by about 14,822 square feet. (Note: the maximum floor area ratio (FAR) is 1.437; whereas the FAR for the project will be about 2.316)
- B. Exemption from Chapter 21, Article 6, Section 21-6.20, Land Use Ordinance, Table 21-6.1, Ordinance No. 99-12, as amended, relating to off-street parking and loading to allow the provision of 30 parking stalls for the proposed 63-unit apartment development, instead of 69 required parking stalls (63 + 6 guest stalls).
- C. Exemption from Chapter 21, Article 6, Section 21-6.30(d), Land Use Ordinance, Ordinance No. 99-12, as amended, relating to off-street parking and loading, to allow the provision of 25 standard sized stalls and 5 compact sized stalls (total 30 stalls) in lieu of the required 35 standard sized stalls and 34 compact sized stalls (total of 69 stalls).
- D. Exemption from Chapter 21, Article 6, Section 21-6.120(b), Land Use Ordinance, Ordinance No. 99-12, as amended, relating to dimensions of loading space to allow the loading space to have a horizontal dimension of 20'- 0" x 8'- 6", rather than the required 35'- 0" x 12'- 0". The one loading space will meet the required vertical clearance of at least 14 feet.
- E. Exemption from Chapter 21, Article 4, Section 21-4.30(d), Land Use Ordinance, Ordinance No. 99-12, as amended, relating to required yard and off-street parking and loading, to allow:
 - a) Loading space and maneuvering area to encroach into the required 10-foot side yard by about 9 feet.
 - b) Parking spaces and # 21 and #22 to encroach into the required 10-foot rear yard by about 2 feet. Wheel stops will be installed, where appropriate.

- F. Exemption from the Park Dedication requirements, Chapter 22, Article 7, ROH, to allow the provision of about 3,905 square feet for park dedication, portions of which encroach into the required side yard and rear yard. The break-down is as follows, 1,600 square feet for a private park, 1,545 square feet of victory garden, and 760 square feet for the multi-purpose room that will provide space for socialization and recreational activities in addition to other uses. Park dedication requirements for the project would normally amount to 3,905 square feet (10% of 39,051 square feet) of park and playground area.
- G. Exemption from Chapter 21, Article 4, Section 21-4.30(a), Land Use Ordinance, Ordinance 99-12, as amended, relating to yards to allow picnic furniture (tables and chairs) to be placed within required side yard in private park area.
- H. Exemption from Chapter 21, Article 3, Section 21-3.80(C)(1), Land Use Ordinance, Ordinance 99-12, as amended, relating to height setback, to allow a 3-foot encroachment for a portion of the area of the staircase and elevator tower into the 15-foot height setback at the west side of the structure required for this 86-foot, 6-inch structure.
- I. Exemption from Chapter 18, Article 6, Section 18-6.2, ROH, Building Permit Fees, as amended, to allow exemption of the fees for building permits in the amount of \$22,800 approximately.
- J. Exemption from the payment of real property taxes, in accordance with Chapter 8, Article 10, Section 8-10.20, ROH, Real Property Tax Building Permit Fees - Exemption - Low-income and Moderate-income housing, as amended, in the amount of \$30,000 per year.
- K. Exemption from payment of the General Excise Tax on project development and construction costs related to the affordable rental apartment units in the amount of \$320,000.
- L. Exemption from payment of the General Excise Tax on rental income from the affordable rentals and operating costs related to the affordable rental units in the amount of \$8,000 per year.

BENJAMIN J. CAYETANO
GOVERNOR



SHARYN L. MIYASHIRO
EXECUTIVE DIRECTOR

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DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
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02:FIN/1411

July 25, 2002

Mr. Randolph Moore
Kinau Vista L.P.
c/o Mr. Gary Furuta
Hawaii Housing Development Corporation
725 Kapiolani Boulevard, Suite C103
Honolulu, HI 96813

Dear Mr. Moore:

Subject: Low Income Housing Tax Credit Program
2002 Carryover Allocation/Binding
Agreement/Election of Appropriate Percentage Month
Project: Kinau Vista
Honolulu, Oahu

The Housing and Community Development Corporation of Hawaii (the "HCDCH"), has reviewed the application by the Kinau Vista L.P. (the "Owner") dated January 25, 2002, requesting the carryover allocation of 2002 low-income housing tax credits. The HCDCH, as the housing credit agency for the State of Hawaii, hereby issues the Owner an allocation in an amount up to Six Hundred Ninety Nine Thousand and No/100 Dollars (\$699,000.00) of 2002 annual Federal tax credits and up to Two Hundred Nine Thousand Seven Hundred and No/100 Dollars (\$209,700.00) of 2002 annual State tax credits, subject to the terms and conditions stated herein and the HCDCH For Action dated July 25, 2002.

Please review the contents of this letter, Exhibit A, and Table A, and return all signed and dated originals to the HCDCH by no later than 4:00 p.m., August 1, 2002. A completed set will be sent to you for your records. A copy of this document must be filed with the Internal Revenue Service in the first taxable year in which the tax credit is claimed, after the building is placed in service. Further instructions will be issued to you at that time.

Please check the appropriate box on page three, and sign and date the designated signature block on page four and the bottom of Table A.

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Carryover Allocation
July 25, 2002
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This carryover allocation of 2002 tax credit authority is made pursuant to Sections 42(h)(1)(E) and 42(b)(2)(A)(ii) of the Internal Revenue Code of 1986, as amended (the "Code"), and is made as of July 25, 2002.

The Owner has certified that the Kinau Vista (the "Project") for which this allocation is being made is a qualified project as defined in Section 42(h)(1)(E)(ii) of the Code (that being part of a project in which the owner's basis, as of January 25, 2003 will be at least ten percent (10%) of said owner's reasonably expected basis in the project as of December 31, 2004) and that the Project will be placed in service as soon as January, 2004, but no later than December 31, 2004.

The Owner represents that by January 25, 2003, the Owner will have an accumulated basis of at least One Million Seventy Six Thousand Six Hundred Seventy Seven Dollars (\$1,076,677) in the Project, representing ten percent (10%) of the reasonably anticipated total basis of Ten Million Seven Hundred Sixty Six Thousand Seven Hundred Sixty One Dollars (\$10,766,761) in the Project. This representation will be made in the form of a certification by an independent certified public accountant or tax counsel by no later than January 1, 2003 attesting to a detailed breakdown of those costs that will have been incurred by January 25, 2003 and certifying that those costs will represent at least ten percent (10%) of the reasonably anticipated total basis of the Project. IF THE OWNER IS NOT ABLE TO SUBMIT SAID CERTIFICATION BY THE STATED DEADLINE, THEN THIS CARRYOVER ALLOCATION/BINDING AGREEMENT/ELECTION OF APPROPRIATE PERCENTAGE DOCUMENT WILL BECOME NULL AND VOID, AND THE CREDITS WILL BE RECAPTURED BY THE HCDCH FROM THE OWNER FOR USE IN OTHER LOW-INCOME HOUSING TAX CREDIT PROJECTS. IN NO WAY WILL THIS RECAPTURE OF CREDITS REDUCE THE RESPONSIBILITY OF THE OWNER TO PAY THE GOOD FAITH DEPOSIT REQUIRED BY THE HAWAII ADMINISTRATIVE RULES, CHAPTER 15-168, SECTION 10.

In issuing this carryover allocation, the HCDCH has relied upon the information submitted to it by the Owner. The HCDCH makes no representations concerning, or guarantee that the Owner will be eligible to receive the credit stated herein, such determination resting with the Internal Revenue Service.

The Owner will irrevocably elect, by placing a check mark in one (1) of the two (2) boxes below, either: (i) to fix the applicable credit percentage for the Project as the percentage prescribed by the Secretary of the Treasury for the month of July, 2002, the month of this binding agreement; or (ii) to fix the applicable percentage for the project as the percentage prescribed by the Secretary of the Treasury for the month in which the Project's building is placed in service.

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If this box is checked, the Owner irrevocably elects, pursuant to Section 42(b)(2)(A)(ii)(I) of the Code, to fix the applicable credit percentage for the Project as the percentage prescribed by the Secretary of the Treasury for the month of July, 2002, the month of this binding agreement. The applicable percentage for said month, as prescribed by the Secretary of the Treasury is 8.20%. The HCDCH and the Owner acknowledge that this binding agreement constitutes an agreement binding upon the HCDCH, the Owner and all successors in interest to the Owner as the Owners of the Project, as to the allocation of 2002 tax credit authority to the building(s) in the Project, subject to compliance by the owner with the requirements of Section 42 of the Code and the requirements of the HCDCH as stated herein.

If this box is checked, the Owner irrevocably elects, pursuant to Section 42(b)(2)(A)(i) of the Code, to fix the applicable percentage for the Project as the percentage prescribed by the Secretary of the Treasury for the month in which the Project's building is placed in service.

This allocation is hereby subject to the provisions listed in Exhibit A attached hereto and made a part herewith.

Pursuant to Section 42(h)(3)(C) and Section 42(m)(2) of the Code, should the Project fail to become a qualified low-income housing project within the time specified herein or should the Project, upon completion, require a lesser amount of credits than is hereby allocated (due to the qualified basis being a lesser amount than is projected herein or the applicable percentage being a lesser amount than initially projected) thereby creating unused low-income housing tax credits, then upon a mutually acceptable time by the HCDCH and the Owner, the unused amount of low-income housing tax credits will be recaptured by the HCDCH to be reallocated to other projects in accordance with the Code.

The HCDCH reserves the right to rescind this carryover allocation of 2002 tax credits in the event all terms and conditions stated herein are not met.

A good faith deposit in the form of a cashier's check payable to the HCDCH in the amount of Sixty Nine Thousand Nine Hundred and No/100 U.S. Dollars (\$69,900.00), which amounts to ten percent (10%) of the first year federal tax credit allocation, is required to be delivered to the HCDCH by no later than 4:00 p.m. on August 1, 2002.

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Owner Name: Kinau Vista L.P.
Owner Address: c/o Mr. Gary Furuta
Hawaii Housing Development Corporation
725 Kapiolani Boulevard, Suite C103
Honolulu, Hawaii 96813

Project Name: Kinau Vista
Project Address: 1150 Kinau Street
Honolulu, Hawaii 96814

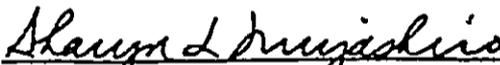
BIN Number: HI-02-00011

Taxpayer ID No.: Applied for
Type of Building: New Construction

APPROVED AS TO FORM:

HOUSING AND COMMUNITY DEVELOPMENT
CORPORATION OF HAWAII
Taxpayer I.D. No.: 99-0334987

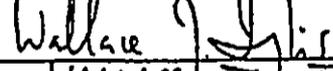

Deputy Attorney General
State of Hawaii


SHARYN L. MIYASHIRO
Executive Director

Date: AUG 05 2002

KINAU VISTA L.P.
Taxpayer I.D. No.: 04-3415934

Acknowledged, agreed and
accepted:
By: Hawaii Housing Development
Corporation
Its General Partner

By: 
Name: WALLACE J. INGLIS
Its: Secretary

Date: 7/30/02

Enc. (Exhibit A and Table A)

BENJAMIN J. CAYETANO
GOVERNOR



SHARYN L. MIYASHIRO
EXECUTIVE DIRECTOR

STATE OF HAWAII
DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM
HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII
877 QUEEN STREET, SUITE 300
HONOLULU, HAWAII 96813
FAX (808) 587-0600

ROBERT J. HALL
EXECUTIVE ASSISTANT

02:FIN/1429

July 26, 2002

Mr. Randolph Moore
Kinau Vista L.P.
725 Kapiolani Boulevard, Suite C103
Honolulu, HI 96813

COPY

Dear Mr. Moore:

SUBJECT: Rental Housing Trust Fund Program
Project: Kinau Vista

Your project has been awarded a Rental Housing Trust Fund loan in an amount not to exceed \$1,900,000 (the "Loan"), subject to the approval of the Governor, the successful negotiation of the final terms and conditions of the award and the execution of loan documentation satisfactory to the Housing and Community Development Corporation of Hawaii (HCDCH).

As a preliminary commitment letter, please review the following general terms and conditions:

Award Recipient: Kinau Vista L.P.
(Borrower)

Guarantor(s): N/A

Purpose: To provide construction/permanent financing to assist in the development of a sixty-three (63) unit affordable rental project (sixty-two [62] affordable rental units and one [1] resident manager's unit) located at 1150 Kinau Street, Honolulu, HI 96814, Tax Map Key (1) 2-4-12-09 & 28. The project will feature sixty-two (62) one-bedroom apartment units. Seven (7) units will be set aside for elderly residents with incomes at or below 30% of the area median gross income, and the remaining fifty-five (55) units will be set aside for elderly residents with incomes at or below 60% of the area median gross income. For twenty-four (24) of the units set aside for elderly residents with incomes at or below 60% of the area median gross income, for the first three months after the

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Certificate of Occupancy is issued, preference will be given to elderly residents with incomes at or below 50% of the area median gross income. The project will remain affordable for sixty-one (61) years.

Loan Amount: Up to \$1,900,000 in construction/permanent financing.
This amount may be reduced to the extent that the Award Recipient is able to secure additional funding sources for the development.

Form of Loan: Forty-two (42) year, second mortgage Loan secured by, at a minimum, the fee-simple interest in the premises, the improvements, and the chattels.

Interest Rate: Zero (0%) percent for Years 1 & 2
Three (3%) percent for Years 3 through 42

Origination Fee: None

Loan Term: The term of the Loan shall be for forty-two (42) years. Any accrued interest and outstanding principal shall be due and payable at end of Loan term.

Prepayment Penalty: None

Payment Terms:

Years 1 & 2	No payments
Years 3 & 4	No payments
Years 5 through 42	Annual payments based on net operating income above 1:10%*

*The applicant must submit the basis in calculating the net operating income, which must be approved by the Executive Director of the HCDCH prior to loan closing.

Interest will be calculated on a 365-day year and payable on the first day of each month.

Any accrued interest and outstanding principal shall be due and payable at end of Loan term.

Security: The Loan is to be secured by the following:

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- 1) A valid, ALTA-insured second mortgage lien on the Award Recipient's fee-simple interest in the subject property, together with all improvements to be constructed;
- 2) A second security interest in all furniture, fixtures and equipment owned by the Award Recipient and utilized in the normal occupancy and operation of the subject property;
- 3) An assignment of all project-related documents including, but not limited to, development agreements, plans and specifications, construction, architectural, management contracts, and any other studies, approvals and authorizations, and permits;
- 4) If the Award Recipient is a partnership, Award Recipient acknowledges that all of Award Recipient's obligations, agreements, and completion of the improvements are the direct obligations of Award Recipient's general partner.

Governor Approval:

The preliminary commitment by the HCDCH and the disbursement of funds are subject to approval by the Governor of the State of Hawaii.

Termination of Affordability:

Should the project fail to maintain its affordable use during the sixty-one (61) year period following the funding of the permanent Loan, the full amount of the Loan shall become immediately due and payable. In addition to the principal amount due, as a penalty for the early termination of the mortgage, due to a loss of its "affordable character," the principal amount due the HCDCH will be multiplied by 0.06, then multiplied by the number of remaining years of affordability. This amount will constitute the total amount of the penalty payment due.

Documentation:

The HCDCH's participation in the proposed development shall be subject to the completion and execution of documentation mutually acceptable to all parties to the transaction. Such documentation to include standard terms and conditions for transactions of this nature.

Boilerplate Loan documents listed on Exhibit 1 are attached herewith for your review and finalizing by your counsel. Any changes to these Loan documents must be satisfactory to the HCDCH and the Attorney General and shall be at their sole discretion.

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Expenses:

All out of pocket expenses shall be the responsibility of the Award Recipient. It is understood and agreed that the Award Recipient shall be responsible for expenses pertaining to any and all transactions contemplated herein and the preparation of any document reasonably required thereunder including, but not limited to, all recording and filing fees, taxes, insurance premiums (including title insurance), inspection fees, insurance review and any surveyors', appraisers' and attorneys' fees. In the event the Loan transaction is not consummated for whatever reason, the Award Recipient will remain responsible for payment of those fees and expenses.

Title Insurance:

Upon recordation of the Loan documents, Award Recipient shall provide the HCDCH with an ALTA mortgagee's policy of title insurance, in the full amount of the Loan, issued by a title insurer acceptable to HCDCH, insuring the lien of the mortgage to be a valid second lien on the fee-simple interest in the subject property, subject only to such other liens and encumbrances as may have been approved by the HCDCH, to include survey, mechanics lien and foundation endorsements and other endorsements as HCDCH may reasonably require.

Property and Liability Insurance:

Prior to the closing date of the Loan, the Award Recipient must properly insure the subject property and provide the HCDCH with such original policies of insurance including: a broad form insurance policy covering the security, in an amount sufficient to cover 100% of the full replacement value at the time of loss of the security, including all buildings now existing or thereafter constructed; public liability, property damage, rental loss, and other insurance as may be required by the HCDCH; and including flood insurance, if applicable, in such form and in such amount as may be required by the Federal Flood Disaster Protection Act. All such policies shall name the State of Hawaii and the Housing and Community Development Corporation of Hawaii as insured parties and loss payees and shall be satisfactory to the HCDCH as to amount, effective and expiration dates, form, content, mortgagee's loss payable endorsement, and all other terms, and/or endorsements, specifically including a 30-day written notice of any cancellation of or material change in coverage.

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You may procure such insurance from any insurance company authorized to do business in the State of Hawaii. All insurance policies should be delivered to the HCDCH and addressed as follows:

Housing and Community Development
Corporation of Hawaii
677 Queen Street, Suite 300
Honolulu, Hawaii 96813

If the Award Recipient uses an "insurance binder" as temporary evidence of insurance coverage, the Award Recipient must provide HCDCH with the original insurance policy prior to the expiration of the binder, but in no event more than 30 days.

Opinion of Counsel:

A written opinion of your legal counsel acceptable to the HCDCH shall be provided to the HCDCH prior to closing and state that:

- 1) the Award Recipient has the power and has been duly authorized to enter into and execute the Loan documents;
- 2) the Loan documents are duly authorized and when executed and delivered, will be valid and legally binding obligations of the Award Recipient;
- 3) compliance by the Award Recipient with the Loan documents and any other instruments contemplated hereby will not violate any instruments or agreements binding upon the Award Recipient;
- 4) no action of any governmental commission or agency is required in connection with the execution and delivery of the Loan documents or, if required, that the same has been obtained;
- 5) such other matters as the HCDCH may reasonably request.

Borrowing and Signing Resolution:

The Award Recipient agrees to provide the HCDCH with a borrowing and signing resolution which shall authorize and ratify the acceptance of this Loan, and identify the individual(s) authorized to execute all documents, agreements and instruments evidencing and/or securing the Loan and perform all obligations thereunder. If the Award Recipient is a partnership, the resolution shall be signed by all of the partnership's general partners and identify the partner(s) authorized to execute all documents. If a

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corporation, then the resolution shall be authorized by the board of directors and specify the officer(s) authorized to execute all documents.

Organizational Documents:

The Award Recipient shall provide the HCDCH with organizational documents including, but not limited to, validly filed articles of incorporation or certificate of limited partnership, by laws, partnership agreement and amendments thereto setting forth such terms as the sales price, equity contribution, distributions and all other significant terms and conditions, for the Award Recipient and its constituent entities.

A certificate of good standing for the Award Recipient and its constituent entities dated no earlier than 30 days prior to closing shall be provided to the HCDCH.

A current tax clearance certificate for state and federal taxes for the Award Recipient and its constituent entities shall be provided just prior to the HCDCH's execution of Loan documents.

Financial Statements:

During the term of the Loan the Award Recipient agrees to provide the HCDCH with such financial and supporting data as the HCDCH may require, in form and content satisfactory to the HCDCH including: financial statements of the Award Recipient on an annual basis within 90 days of year-end, and partnership tax returns annually when filed.

Independent Consultant:

The HCDCH shall have the right to employ, at the Award Recipient's expense, an independent consultant such as an engineer, architect or construction manager, to review and monitor on behalf of the HCDCH. The consultant shall review all construction documents, including construction plans and specifications, construction contracts, contractor's progress schedules and other pertinent documents and submit a written report to the HCDCH as to whether the plans and specifications provide for complete usable facilities which can be constructed within the amount of the construction contract and the project budget and as to the adequacy of the construction schedule. The consultant shall also visit the subject property periodically to review whether the construction is proceeding in accordance with

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the plans and specifications and construction schedule, to estimate the nature and amount of construction in place and to verify the amount of payment which the contractor is entitled to receive in accordance with the project budget and to verify that materials are stored onsite.

Inspections:

The Award Recipient shall permit the HCDCH or its agents to inspect the property and its records. Such inspections will be made for the HCDCH's sole benefit at such reasonable times as the HCDCH may require and will be at the Award Recipient's expense.

Appraisal:

Prior to the closing of the Loan, the HCDCH must receive an HCDCH-ordered appraisal report (at the Award Recipient's expense) of the fee-simple interest in the subject property. The appraisal shall be subject to the satisfactory review of the HCDCH.

Reappraisal:

The HCDCH shall have the right to obtain, at the Award Recipient's expense, reappraisals of the subject property from any certified appraiser designated by the HCDCH, from time to time whenever such reappraisal may be:

- a) required by law, rule or procedure; or
- b) when reasonably deemed appropriate by the HCDCH.

ALTA Survey:

Prior to closing of the Loan, the Award Recipient shall provide an ALTA survey of the subject property prepared by a professional land surveyor registered with the State of Hawaii, showing thereon the perimeter of the subject property, all easements affecting the property, the location of the improvements to be built on the property, any other matters of record affecting the property, and such other matters as may be required by the title insurance company together with a written certification by the surveyor that all setback requirements have been complied with and that there are no encroachments by or on the subject property.

Financing Commitments:

The Award Recipient shall provide to the HCDCH binding interim construction financing commitments from:

City Bank	\$6,806,783
Due to the reduction in the RHTF loan amount the Award Recipient to provide additional financing commitment(s) in the amount of	\$1,500,000

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and binding permanent financing commitments from:

Hawaii Community Reinvestment Corp.	\$1,439,865
Tax Credit Investor	\$5,876,896
Due to the reduction in the RHTF loan amount the Award Recipient to provide additional financing commitment(s) in the amount of	\$1,500,000

Such commitments shall be in form and content satisfactory to the HCDCH and shall set forth such terms as the amount of the commitment, the interest rate, term, and other terms and conditions of the loans. The commitments may need to be assigned to the HCDCH as determined by HCDCH and, as such, may need to include satisfactory assignment language. The terms and conditions of this preliminary commitment letter are subject to change, modification, or additions depending on the terms and conditions of the other commitment letters.

*Environmental Examination
and Covenants:*

Prior to the closing of the Loan, the Award Recipient shall furnish the HCDCH with the completed Environmental Questionnaire. If such written statement appears insufficient for the HCDCH's reliance or leads the HCDCH to believe that environmental contamination may have resulted or may result from a prior or current use of the property, the Award Recipient may have to obtain an environmental examination or audit, at its expense, to be made of the property, by an environmental engineer acceptable to the HCDCH. The HCDCH may decline the Loan if such examination reveals the existence or prospect of environmentally hazardous materials in amounts or of a nature unacceptable to the HCDCH. The Loan documents will provide for your indemnification of the HCDCH against all liabilities, costs, etc., incurred by the HCDCH as a result of any violation of any environmental laws as a result of any "clean up" of environmentally hazardous materials or conditions in respect of the property to be mortgaged to the HCDCH.

Loan Agreement:

The disbursement of Loan proceeds will be governed by a Loan Agreement containing warranties by the Award Recipient, conditions of the HCDCH's obligations, covenants relating to construction procedures and Loan disbursements, requirements for

Mr. Randolph Moore
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payment of project costs, requirements for performance and payment bonds, prohibition against junior liens and security interests, rights of inspection, rights to employ an independent architect or engineer at the HCDCH's request, requirement for completion surveys, remedies on default and such other covenants and provisions as the HCDCH may require, or as are customarily incorporated in similar agreements by prudent lenders:

- 1) Each disbursement request shall be accompanied by an updated budget and partial lien releases or lien waivers and receipt bills showing to the HCDCH's satisfaction that all remaining budgeted costs are covered either by the remaining undisbursed Loan proceeds or other funding sources already committed;
- 2) Updated endorsements from insuring title company;
- 3) Written report of engineer as to the progress of the work, and the cost to complete, said report to be satisfactory to the HCDCH;
- 4) In general, disbursements on the construction will be made on the basis of the value of the work in place and the costs of materials delivered to the site and adequately stored and insured, less 10% retainage.

***Compliance with
Applicable Laws:***

The Award Recipient shall submit to the HCDCH evidence, satisfactory to the HCDCH, that all applicable laws, regulations, including the Americans with Disabilities Act and any other applicable environmental laws and regulations, covenants, conditions, governmental approvals and permits for the use and operation of the property and improvements thereon have been obtained.

Complete Agreement:

This preliminary commitment letter constitutes the agreements between the Award Recipient and the HCDCH relating to the Loan and the subject property, and supersedes all other prior or current letters, agreements, understandings, negotiations or warranties (whether written or oral). No variation or amendment to this preliminary commitment letter shall be valid or enforceable without the approval of the Award Recipient and the HCDCH set forth in writing specifically referring to this preliminary commitment letter.

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**Regulatory
Requirements:**

This preliminary commitment letter and the HCDCH's obligations thereunder are subject to all laws and governmental regulations affecting the HCDCH's ability to make the Loan upon the terms and conditions set forth in this letter. If the HCDCH is unable under said laws and regulations to make the Loan upon such terms and conditions, then the HCDCH may terminate this preliminary commitment letter and its obligations thereunder without any liability to the Award Recipient.

Specific Conditions:

The following documents, among others, are to be provided to the HCDCH prior to closing and funding of the Loan:

- 1) All partnership or venture documents;
- 2) A satisfactory Phase One environmental report;
- 3) Copies of all plans and specifications for the improvements and proposed work, together with a copy of the general construction contract(s) covering all of the improvements and proposed work; and copies of each major subcontract or material supply contract relating to the improvements and proposed work ("major" shall include all those having contract prices in excess of \$250,000) and a copy of all architect's and engineer's contracts relating to the improvements and proposed work;
- 4) A 100% performance bond and a 100% payment bond covering the obligations of the general contractor(s), issued by a surety doing business in Hawaii, which bonds shall contain riders in form and content satisfactory to the HCDCH naming the Award Recipient and the HCDCH as obligees. Expiration of performance bond will not be less than one year following substantial completion;
- 5) Satisfactory evidence that all consents, permits and approvals from the governmental authorities required or advisable in connection with the construction of the improvements and proposed work have been obtained by the Award Recipient;
- 6) A detailed budget of the overall cost of construction of improvements and proposed work, including construction costs, building equipment costs, other on site and off site improvement costs, costs of furnishing and fixtures, financing costs, legal expenses, design fees, appraisal costs, and all other related costs directly attributable to the

- improvements or proposed work;
- 7) A detailed cash flow schedule of Borrower's sources and uses of funds, evidencing to the HCDCH satisfaction that all of the improvements and proposed work can be completed in a timely manner with proceeds from the Loan and other funding sources, and that there are sufficient proceeds to adequately pay when due all payments due on the Loan and all other construction costs, carrying charges and all other costs shown on the budget referred to above setting forth a schedule of disbursement of proceeds and payment of the costs shown on said budget;
 - 8) Letters from the Award Recipient's architect, engineer and general contractor, in form and content satisfactory to the HCDCH, containing among other things, the architect's, engineer's and contractor's consents to the assignment of their contracts to the HCDCH as security for the Loan, their agreement to continue performance under their contracts if requested by the HCDCH, and the subordination of all of their lien rights to the Loan and the HCDCH's Loan documents;
 - 9) The HCDCH reserves the right to obtain a construction cost analysis report (verifying cost to complete) prepared by an independent third party consultant acceptable to the HCDCH and paid by the Award Recipient.
 - 10) Such other items as may be described in the Loan Agreement referred to above.

Other Terms:

In addition, the Award Recipient shall provide and/or comply with the following prior to closing and disbursement of funds:

- 1) The receipt and approval by the HCDCH of the project's final construction drawings and specifications showing all revisions;
- 2) Receipt and staff's satisfactory review and approval of the USPAP appraisal (ordered by HCDCH, paid by Award Recipient);
- 3) Final plans and specifications being reviewed by the State's Disabilities and Communication Access Board (DCAB) and the HCDCH's receipt of the DCAB's "Final Document Review Letter" indicating that the documents appear to meet the requirements of the American with Disabilities Act Accessibility Guidelines (ADAAG);

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- 4) The project shall comply with the requirements of all municipal, state and federal authorities and observe all municipal, federal and state laws including, but not limited to, Chapter 343, Hawaii Revised Statutes (HRS) relating to environmental impact statements; Chapter 103-50, HRS, relating to accessibility requirements; Chapter 103D, HRS, relating to Hawaii Public Procurement Code; Chapter 104, HRS, relating to wage and hour requirements applicable to the project and the use of State funds;
- 5) Satisfactory review and approval of all aspects of the project by the HCDCH and, if necessary, independent experts;
- 6) Award Recipient must obtain all necessary loans, grants, and leases from the applicable entities in order to fulfill the purpose of this Loan;
- 7) Availability of funds from the Rental Housing Trust Fund;
- 8) Delivery and execution by the Award Recipient, and HCDCH approval, of the items enumerated on the checklist prior to closing and funding of the Loan (Exhibit 1);
- 9) The Award Recipient consulting with the HCDCH and receiving prior written approval of the Executive Director to effectuate any changes to the project as proposed;
- 10) Detailed accounting of all projected expenditures to the closing date, supported by copies of receipts or invoices to indicate a minimum equity contribution of \$50,000.
- 11) Other terms and conditions to be mutually acceptable to all parties involved with the transaction.

Loan Closing:

The loan is to be closed and recorded no later than April 30, 2003. In the event that the loan is not closed and recorded by said date, the HCDCH shall have the right to terminate this commitment and all of its obligations under, or the option to consider extending the closing date subject to such amended terms and conditions as it shall deem appropriate in its sole judgment.

Commitment Fee:

In consideration of the issuance of this commitment by the HCDCH to make this Loan upon the terms and conditions herein set forth, you agree to pay to the HCDCH a commitment fee of \$-0- which is non-refundable and payable upon acceptance of this commitment. At Loan closing this commitment fee will be credited towards the Loan origination fee.

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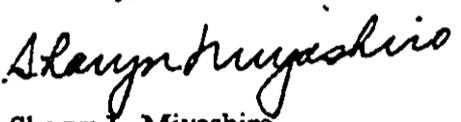
Expiration: The terms outlined in this letter will expire on August 15, 2002, at 4:00 p.m. unless the HCDCH receives an executed copy by said date. The HCDCH and the Award Recipient agree to work in good faith to complete all the necessary documentation satisfactory to all parties.

The Award Recipient shall defend, indemnify, and hold harmless the State of Hawaii, the Corporation, its directors, advisory commissioners, officers, employees, agents, its successors and assigns, from and against all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, and expenses including attorney's fees, arising out of or in connection with the development of the project including, but not limited to, construction of the improvements, leasing of the project and/or use, occupation or operation of any of the property to be encumbered by the mortgage.

As previously mentioned, the above-referenced items represent the general terms of the Loan. The specific terms and conditions will be negotiated and incorporated into the final documents for execution.

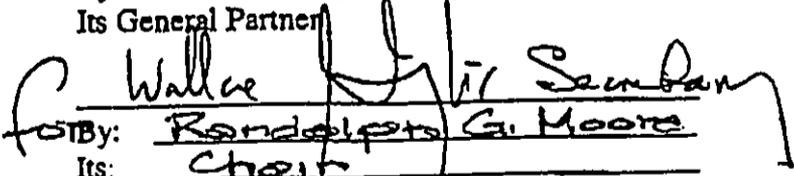
Please sign and return the original preliminary commitment letter and maintain a copy for your files.

Sincerely,


Sharyn L. Miyashiro
Executive Director

ACKNOWLEDGED AND ACCEPTED:

Kinau Vista L.P.
By: Hawaii Housing Development Corporation
Its General Partner


By: Wallace G. Moore
Its: Chair
Date: _____

APPENDIX IX

NOTIFICATION OF ADJOINING PROPERTY OWNERS'

KUSAO & KURAHASHI, INC.

Planning and Zoning Consultants

MANOA MARKET PLACE
2752 WOODLAWN DRIVE, SUITE 5-202
HONOLULU, HAWAII 96822

BUS. (808) 988-2231
FAX. (808) 988-1140
E-Mail: kurahashi1@cs.com

March 28, 2002

**SUBJECT: DRAFT ENVIRONMENTAL ASSESSMENT FOR THE
PROPOSED KINAU VISTA AFFORDABLE ELDERLY
RENTAL APARTMENT DEVELOPMENT
TAX MAP KEY: 2-4-12: 09 AND 28**

Dear Property Owner:

We are in the process of preparing an Environmental Assessment (EA) and 201G Application for the proposed Kinau Vista Affordable Elderly Apartment Development to be located at 1150 Kinau Street. The EA will be processed by the State Housing and Community Development Corporation of Hawaii (HCDCH) and the 201G will be processed by the City's Department of Planning and Permitting (DPP). Prior to submittal of these applications, we have requested an opportunity to appear before the Makiki/Lower Punchbowl/Tantalus Neighborhood Board No. 10 on the evening of April 18, 2002.

As an adjoining property owner, we are notifying you of this upcoming presentation, so that we may respond to your questions and/or concerns regarding our proposal.

Date: Thursday, April 18, 2002
Time: 7:15 P.M.
Place: Makiki District Park
Arts and Crafts Building

We have enclosed a summary of the Kinau Vista Affordable Elderly Rental Apartment Development for your review. In the meantime should you have questions, please do not hesitate to call me at 988-2231.

Very truly yours,



Keith Kurahashi

cc: Mr. Gary Furuta
Makiki/Lower Punchbowl/Tantalus
Neighborhood Board No. 10

**SUMMARY
KINAU VISTA
AFFORDABLE ELDERLY RENTAL DEVELOPMENT
TMK: 2-4-12: 009 and 28**

The applicant, Hawaii Housing Development Corporation, proposes to develop an eight-story elderly affordable rental apartment building in accordance with the requirements of Chapter 201G of the Hawaii Revised Statutes (HRS), as amended. The eight-story building will provide 62 1-bedroom affordable rental units and a two-bedroom resident manager's unit, 30 at grade parking stalls, one of which will be an accessible stall, and one loading stall, for elderly residents (62 and older) who earn at or below 30% and 60% of the area median income (AMI).

The proposed elderly affordable apartment use is permitted in the A-2 Medium Density Apartment District of Honolulu under the Land Use Ordinance (Section 7.80-4).

The proposed development consists of two separate parcels of land. TMK: 2-4-12: 09 is located at 1150 Kinau Street and consists of 11,100 square feet. TMK: 2-4-12: 28 is located at 1320 Piikoi Street and consists of 5,761 square feet. The official street address of the proposed Kinau Vista Affordable Elderly Rental Apartments will be 1150 Kinau Street, Honolulu, Hawaii 96814.

The concept of aging in place will be promoted by this development and seniors will be able to enjoy the company of friends and neighbors until age and/or illness place them in a position of 24-hour care that is provided by long term care facilities. The development also hopes to provide a service similar to an assisted living component that will be offered on an "as needed basis" to minimize the maintenance cost for individual residents of the complex. Our development will try to minimize maintenance cost by developing individual programs of assistance for the seniors as they need it. The applicant is working with the Catholic Charities of the Diocese of Honolulu and more specifically with its Elderly Services group to come to an agreement on the services that they will provide. The purpose of providing these services, on a non-denominational basis, is to help the individuals to manage living in their own apartments and community environment for as long as possible and as independently as possible.

Smooth Feed Sheets™

Use template for 5660®

**KINAU VISTA
FAST ENVIRONMENTAL
ASSESSMENT**

TMK: 2-4-12: 08
Steven J.W. Chong Trust
P.O. Box 1414
Honolulu, Hawaii 96806

TMK: 2-4-12: 26
Mr. & Mrs. Minoru Oda Trust
33 S. King St., #511
Honolulu, Hawaii 96813

TMK: 2-4-12: 27
Paul H. and Jane O. Nguyen
316 Piikoi Street
Honolulu, Hawaii 96814

TMK: 2-4-12: 29
Edward K.M. & June L. Chun Trust
1142 Kinau Street
Honolulu, Hawaii 96814

Find

Page 1 of 2

Owner Information

24012008 1314 PIIKOI ST

Name: CHONG,ALVIN J B FAMILY TR

Type: Fee Owner

Percent Owner: 15.98

Tax Bill Address:

City:

State:

Country:

Zip:

Name: CHONG,STEPHEN J W TRUST

Type: Fee Owner

Percent Owner: 23.98

Address: P O BOX 1414

City, State:

Country:

Zip: 96806

Name: CHONG,REUBEN J K

Type: Fee Owner

Percent Owner: 15.98

Address:

City, State:

Country:

Zip:

Name: CHONG,DAVID J B TRUST

Type: Fee Owner

Percent Owner: 7

Address:

City, State:

Country:

Zip:

Name: LEE,TAI M C

Type: Fee Owner

Percent Owner: 7.2

Address:

City, State:

Country:

Zip:

Name: CHOY,BEATRICE C TRUST

Type: Fee Owner

Percent Owner: 7.2

Address:

City, State:

Country:

Zip:

Name: CHONG,MILDRED D M TRUST

Type: Fee Owner

Percent Owner: 5.66

Address:

Find

Page 2 of 2

City, State:

Country:

Zip:

Name: CHONG,JONATHAN J C TRUST

Type: Fee Owner

Percent Owner: 2

Address:

City, State:

Country:

Zip:

Name: CHONG,DANIEL P L TRUST

Type: Fee Owner

Percent Owner: 7

Address:

City, State:

Country:

Zip:

Name: CHONG,REUBEN J K TR

Type: Fee Owner

Percent Owner: 8

Address:

City, State:

Country:

Zip:

Property Info

Building Permit Info

Zoning Info

Find

Page 1 of 1

Owner Information

24012026 1326 PIIKOI ST

Name: ODA,MINORU TR

Type: Fee Owner

Percent Owner: 50

Tax Bill Address: 33 SOUTH KING STREET 511

City: HONOLULU

State: HI

Country:

Zip: 96813

Name: ODA,TOSHIKO TR

Type: Fee Owner

Percent Owner: 50

Address:

City, State:

Country:

Zip:

Property Info

Building Permit Info

Zoning Info

Owner Information

24012027 1316 PIIKOI ST

Name: NGUYEN,PAUL H

Type: Fee Owner

Percent Owner:

Tax Bill Address: 1316 PIIKOI ST

City: HONOLULU

State: HI

Country:

Zip: 96814

Name: NGUYEN,JANE O

Type: Fee Owner

Percent Owner:

Address:

City, State:

Country:

Zip:

Property Info

Building Permit Info

Zoning Info

Find

Owner Information

24012029 1140D KINAU ST

Name: CHUN,EDWARD K M TRUST

Type: Fee Owner

Percent Owner: 25

Tax Bill Address: 1142 KINAU ST

City: HONOLULU

State: HI

Country:

Zip: 96814

Name: CHUN,JUNE L TRUST

Type: Fee Owner

Percent Owner: 25

Address:

City, State:

Country:

Zip:

Name: CHUN,GARY K M

Type: Fee Owner

Percent Owner: 9

Address:

City, State:

Country:

Zip:

Name: CHUN,KEITH K B

Type: Fee Owner

Percent Owner: 9

Address:

City, State:

Country:

Zip:

Name: CHUN,BRIAN WF TR

Type: Fee Owner

Percent Owner: 8

Address:

City, State:

Country:

Zip:

Name: CHUN,MARLENE S H

Type: Fee Owner

Percent Owner: 8

Address:

City, State:

Country:

Zip:

Name: CHUN,LORNA S P

Type: Fee Owner

Percent Owner: 8

Address:

City, State:
Country:
Zip:
Name: CHUN,GWEN S H
Type: Fee Owner
Percent Owner: 8
Address:
City, State:
Country:
Zip:

Property Info

Building Permit Info

Zoning Info

APPENDIX X

**AGENCY AND PUBLIC COMMENTS AND
APPLICANT'S RESPONSES**

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BENJAMIN J. CAYETANO
GOVERNOR



GENEVIEVE SALMONSON
DIRECTOR

STATE OF HAWAII
OFFICE OF ENVIRONMENT QUALITY CONTROL
235 SOUTH BERETANIA STREET
SUITE 702
HONOLULU, HAWAII 96813
TELEPHONE (808) 586-4185
FACSIMILE (808) 586-4186

November 6, 2002

Sharyn Miyashiro
Housing & Community Development Corporation of Hawaii
677 Queen Street, Suite 300
Honolulu, Hawaii 96813

Attn: Lisa Wond

Dear Ms. Miyashiro:

Subject: Draft Environmental Assessment (EA)
Kinau Vista Affordable Elderly Rental Apartments

We have the following comments to offer:

Two-sided pages: In order to reduce bulk and save on paper, please print on both sides of the pages in the final document.

Table of contents: Some of the page entries listed in the table of contents do not match the corresponding sections of the text. Please correct this in the final EA.

Department of Planning & Permitting consultation: Such consultation is required by law. Consult the main review division of this agency (in care of the Director's office), not just the wastewater branch, as listed in the *General Information* section of the draft EA.

Neighbors: Contact the surrounding neighbors or neighboring property owners about the proposed project and document your contacts in the final EA.

Displacement: Section IV.A.4 under the *Impacts* section notes that some families will be displaced. Will they be compensated for the loss of their homes? What kind of assistance is given them in finding new homes?

Traffic impacts: Section IV.D.1, *Access & Transportation Impacts*, does not describe mitigation measures to reduce impacts to traffic during construction. What measures are planned? Will there be a staging area on site for machinery and equipment? How will you prevent theft or vandalism of such machinery and equipment? Please include a discussion in the final EA.

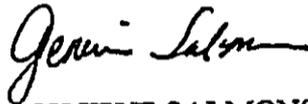
Sharyn Miyashiro
November 6, 2002
Page 2

Backup generator: Will there be a backup generator in the event of a power failure? If not, how will residents be able to evacuate the building during an emergency, and how will water be supplied to the upper floors?

Construction & demolition debris: Will any of this debris be recycled? In the final EA list measures you will implement after consulting section VII ("Building Materials & Solid Waste Management") of our "Guidelines for Sustainable Building Design in Hawaii." Access it at: <http://www.state.hi.us/health/oegc/guidance/sustainable.htm> or contact our office for a paper copy.

If you have any questions call Nancy Heinrich at 586-4185.

Sincerely,



GENEVIEVE SALMONSON
Director

c: Keith Kurahashi

KUSAO & KURAHASHI, INC.

Planning and Zoning Consultants

MANOA MARKET PLACE
2752 WOODLAWN DRIVE, SUITE 5-202
HONOLULU, HAWAII 96822

BUS. (808) 988-2231
FAX. (808) 988-1140
E-Mail: kurahashi1@cs.com

February 12, 2003

Ms. Genevieve Salmonson, Director
Office of Environmental Quality Control
235 South beretania Street, Suite 702
Honolulu, Hawaii 96813

Attention: Ms. Nancy Heinrich

**Subject: Kinau Vista Draft Environmental Assessment - An Elderly
Affordable Rental Housing Development - TMK: 2-4-12: 9 & 28**

Dear Ms. Salmonson:

Thank you for your response, dated November 6, 2002, to our Draft Environmental Assessment (EA) for Kinau Vista, an affordable elderly rental development.

Our response to your comments are as follows:

1. The Final EA will be printed double-sided, and the table of contents will be checked to make sure the page entries listed match the corresponding sections of the text.
2. We met with Mr. Randall Fujiki, Director of the Department of Planning and Permitting and his staff prior to preparation of the Draft EA to discuss the project, this will be noted in the Final EA.
3. All adjoining property owners' were notified by letter dated March 28, 2002 of the proposed project and our presentation before the Makiki/Lower Punchbowl/Tantalus Neighborhood Board No. 10 on the evening of April 18, 2002. A list of the adjoining property owners' and a copy of our letter to them will be included in the Final EA.

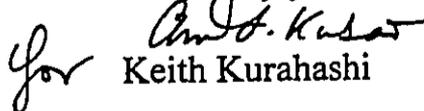
4. During preparation of the Draft EA, a family member of the property owner and a tenant lived in the structures located at 1320 Piikoi Street. Since that time the structures have been vacated and the property owner applied for and obtained a permit to the demolish the buildings on site. The buildings on the property were demolished shortly after receiving the demolition permit on September 24, 2002.
5. There will be three times during which we envision traffic being impacted by this project, the initial site work, the eight separate days of slab pours spaced approximately two weeks apart, and final utility and driveway connections. During all three periods, the necessary warning signs and flag-men to control traffic will be utilized to ensure the public's safety. The contractor will coordinate any traffic issues with Captain Edward Nishi of District 1 at 529-3386.

All construction activity will be within the fenced project site and the only work outside of the site will be limited to utility and driveway construction near the end of the project. The construction site will be fenced on all four sides to prevent theft and vandalism. During non-working hours, the project site will be locked down to prevent entry on to the property. We will include this information in the final EA.

6. A backup generator is not statutorily required for this type of project and in light of the fact that extended power outages are infrequent, we will not be providing a backup generator.
7. Both parcels are vacant, therefore there will be no demolition debris to remove. A copy of your "Guidelines for Sustainable Building Design in Hawaii, Chapter VII, Building Materials & Solid Waste Management has been forwarded to the applicant and where possible these guidelines will be implemented.

Your comments and our responses will be included in the Final EA.

Very truly yours,


Keith Kurahashi

cc: HCDCH
Mr. Gary Furuta

BOARD OF WATER SUPPLY

CITY AND COUNTY OF HONOLULU
630 SOUTH BERETANIA STREET
HONOLULU, HI 96843



November 18, 2002

JEREMY HARRIS, Mayor

EDDIE FLORES, JR., Chairman
CHARLES A. STED, Vice Chairman
JAN M.L.Y. AMII
HERBERT S.K. KAOPUA, SR.
DAROLYN H. LENDIO

BRIAN K. MINAAI, Ex-Officio

CLIFFORD S. JAMILE
Manager and Chief Engineer

DONNA FAY K. KIYOSAKI
Deputy Manager and Chief Engineer

Mr. Keith Kurahashi
Kusao & Kurahashi, Inc.
2752 Woodlawn Drive, Suite 5-202
Honolulu, Hawaii 96822

Dear Mr. Kurahashi:

Subject: Your Letter of November 7, 2002 on the Draft Environmental Assessment for Kinau Vista Affordable Rental Development, TMK: 2-4-12: 9 and 28

Thank you for the opportunity to review the subject document for the proposed affordable housing project.

The existing water system is presently adequate to accommodate the proposed development.

The availability of water will be confirmed when the building permit is approved. When water is made available, the applicant will be required to pay our Water System Facilities Charges for resource development, transmission and daily storage.

The proposed project is subject to Board of Water Supply Cross-Connection Control and Backflow Prevention requirements prior to the issuance of the Building Permit.

If you have any questions, please contact Joseph Kaakua at 527-6123.

Very truly yours,

for CLIFFORD S. JAMILE
Manager and Chief Engineer

cc: Office of Environmental Quality Control
Sharyan L. Miyashiro, Housing Community Development Corporation

KUSAO & KURAHASHI, INC.

Planning and Zoning Consultants

MANOA MARKET PLACE
1752 WOODLAWN DRIVE, SUITE 5-202
HONOLULU, HAWAII 96822

BUS. (808) 988-2231
FAX. (808) 988-1140
E-Mail: kurahashi1@cs.com

January 6, 2003

Mr. Clifford S. Jamile, Manager and Chief Engineer
Board of Water Supply
630 S. Beretania Street
Honolulu, Hawaii 96843

**Subject: Draft Environmental Assessment for Kinau Vista an Affordable
Elderly Apartment Development - TMK: 2-4-12: 009 and 028**

Dear Mr Jamile:

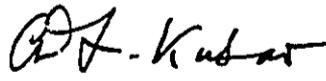
Thank you for your response, dated November 18, 2002, to our Draft Environmental Assessment (Draft EA) for Kinau Vista an affordable elderly apartment development.

In response to your comments:

1. The applicant understands that the availability of water will be confirmed when the building permit is submitted for your review and approval and that the applicant will be required to pay your Water System Facilities Charges for resource development, transmission, and daily storage.
2. The applicant understands that the project is subject to Board of Water Supply Cross-Connection Control and Backflow Prevention requirements prior to the issuance of the Building Permit.

Your letter and this response will be included in the Final EA.

Very truly yours,


for Keith Kurahashi

cc: HCDCH ✓
Mr. Gary Furuta ✓

11/21/2002

To whom it may concern

Please send me copies of the
STATE HOUSING + COMMUNITY DEVELOPMENT
CORPORATION THE CONSULTANT AND
OFFICES OF ENVIRONMENT QUALITY
CONTROL I AM A VOLUNTEER FOR A
NONPROFIT ORG. AND ALSO WHAT
PART COULD A 501(C)(3) NONPROFIT
COMMUNITY ORG. BE OF HELP WITH
THIS PROJECT AND ANY OTHER PLEASE
SEND MY INFORMATION ABOUT THE
KEINAIU VISTA PROJECT Ken McCleary

Thank you

Ken McCleary

2199 KAMEHAMEHA
Highway
HONOLULU, HI 96819
UNIT 13# DOORM

KUSAO & KURAHASHI, INC.

Planning and Zoning Consultants

MANOA MARKET PLACE
2752 WOODLAWN DRIVE, SUITE 5-202
HONOLULU, HAWAII 96822

BUS. (808) 988-2231
FAX. (808) 988-1140
E-Mail: kurahashi1@cs.com

January 6, 2003

Mr. Glen McCleary
2199 Kamehameha Highway
Unit 13th Dorm
Honolulu, Hawaii 96819

**Subject: Draft Environmental Assessment for Kinau Vista an Affordable
Elderly Apartment Development - TMK: 2-4-12: 009 and 028**

Dear Mr McCleary:

Thank you for your letter, dated November 21, 2002, regarding your interest in our Draft Environmental Assessment (Draft EA) for Kinau Vista, an affordable elderly apartment development, and also for your offer of help on the project. We understand Mr. Gary Furuta, project manager for Kinau Vista, forwarded you information regarding Kinau Vista's Draft EA on December, 19, 2002. See copy of his memorandum, attached.

Your letter and this response will be included in the Final EA for the project.

Very truly yours,


for Keith Kurahashi

cc: HCDCH ✓
Mr. Gary Furuta ✓

12/19/2002 19:40 808-395-1520

GARY FURUTA

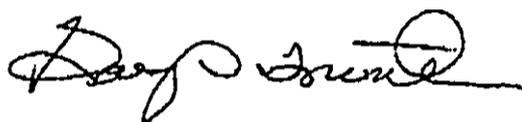
PAGE 01

Imperial Plaza • Suite C-103
725 Kapiolani Boulevard
Honolulu, Hawaii 96813
864-2500 (o) • 395-1520 (f) • gsf@hawaii.rr.com

**HAWAII HOUSING
DEVELOPMENT CORPORATION**

Memo

To: Mr. Glen McCleary
From: Gary Furuta, Kinau Vista Project Manager
CC: HCDCH/Kusao & Kurahashi, Inc.
Date: December 19, 2002
Re: Public Input re Kinau Vista



Thank you very much for your letter of November 11, 2002. Copies of your letter will be given to the state Housing and Community Development Corporation of Hawaii and the Office of Environmental Quality Control. The developer, Hawaii Housing Development Corporation, like you is a 501(c)(3) non-profit organization. Currently our project team is in place, and we are moving ahead on schedule with the planning and financing of the project.

Attached is an excerpt from the Draft Environmental Assessment for the project, Pages 8-14, which describes the proposed development and location.

If there is any assistance that we may need, we will be sure to contact you. In any event, I would appreciate you forwarding to me information about your organization, and also what areas with respect to real property development your or your organization may have expertise.

Your interest in the project is truly appreciated.

Mahalo!

DEPARTMENT OF PARKS AND RECREATION
CITY AND COUNTY OF HONOLULU

1000 ULUOHIA STREET, SUITE 309 • KAPOLEI, HAWAII 96707
TELEPHONE: (808) 692-5561 • FAX: (808) 692-5131 • INTERNET: www.co.honolulu.hi.us

JEREMY HARRIS
MAYOR



WILLIAM D. BALFOUR, JR.
DIRECTOR

EDWARD T. "SKIPPA" DIAZ
DEPUTY DIRECTOR

November 22, 2002

Kusao & Kurahashi, Inc.
Attention: Mr. Keith H. Kurahashi
2752 Woodlawn Drive, Suite 5-202
Honolulu, Hawaii 96822

Gentlemen:

Subject: Draft Environmental Assessment (EA) for Kinau
Vista, a Proposed Family Affordable Rental Development
TMK: 2-4-12:009 and 028

Thank you for the opportunity to review and comment on the Draft Environmental Assessment relating to the Kinau Vista Family Affordable Rental Development.

The Department of Parks and Recreation does not support exempting this project from the Park Dedication Ordinance.

The small facilities proposed by the developer will not be available to the community at large and we recommend that the developer pay the City the cash equivalent of the required park land. This money will then be available for park improvements that will benefit a much larger population of this community.

Should you have any questions, please contact Mr. John Reid, Planner, at 692-5454.

Sincerely,

A handwritten signature in black ink, appearing to read "W.D. Balfour, Jr.", is written over the typed name.

WILLIAM D. BALFOUR, JR.
Director

WDB:mk (J. Reid, MS)
(17875)

cc: Mr. Don Griffin, Department of Design and Construction
Office of Environmental Quality Control
Ms. Sharon Miyashiro, Housing Community Development Corporation of
Hawaii

KUSAO & KURAHASHI, INC.

Planning and Zoning Consultants

MANOA MARKET PLACE
2752 WOODLAWN DRIVE, SUITE 5-202
HONOLULU, HAWAII 96822

BUS. (808) 988-2231
FAX. (808) 988-1140
E-Mail: kurahashi1@cs.com

February 12, 2003

Mr. William D. Balfour, Jr.
Director, Department of Parks & Recreation
City and County of Honolulu
1000 Uluohia Street, Suite 309
Kapolei, Hawaii 96707

Attention: Mr. Robert Reed, Staff Planner

**Subject: Kinau Vista Draft Environmental Assessment - An Elderly
Affordable Rental Housing Development - TMK: 2-4-12: 9 & 28**

Thank you for your comments, dated November 22, 2002, to our Draft Environmental Assessment (Draft EA) for Kinau Vista, an affordable elderly rental development.

Our responses to your comments are as follows:

1. Please note that this project will be an "elderly affordable rental" development, not a "family affordable rental" as stated in your letter.
2. This will be the fourth elderly affordable rental developed by the applicant within the Primary Urban Center of the island. Due to restrictions in the size of available properties within the urban core and the desire to offer these affordable elderly apartment units at extremely affordable rates (50% and below of median income), the applicant has requested, and been granted, exemptions through the 201G process to offer less than the required private park space in Wisteria Vista, Kalakaua Vista and Artesian Vista. We will be requesting a similar exemption through the 201G process which allows for exemptions, such as from park dedication, to encourage development of affordable rental units. The 201G process and exemptions granted, such as that being requested for park dedication, have been instrumental in making affordable rentals possible.

Your comments and our responses will be included in the Final EA.

Very truly yours,

for 
Keith Kurahashi

cc: HCDCH
Mr. Gary Furuta

LINDA LINGLE
GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

GLENN M. OKIMOTO
INTERIM DIRECTOR

IN REPLY REFER TO:

STP 8.0564

December 2, 2002

Mr. Keith H. Kurahashi
Kusao & Kurahashi, Inc.
2752 Woodlawn Drive, Suite 5-202
Honolulu, Hawaii 96822

Dear Mr. Kurahashi:

Subject: Kinau Vista
Draft Environmental Assessment (EA)
TMK: 2-4-12: 009 and 028

Thank you for your transmittal requesting our review of the subject project.

The proposed action will not impact our State transportation facilities.

We appreciate the opportunity to provide comments.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Glenn M. Okimoto".

GLENN M. OKIMOTO
Interim Director of Transportation

c: Ms. Genevieve Salmonson, Office of Environmental Quality Control
Housing Community Development Corporation of Hawaii

KUSAO & KURAHASHI, INC.

Planning and Zoning Consultants

MANOA MARKET PLACE
2752 WOODLAWN DRIVE, SUITE 5-202
HONOLULU, HAWAII 96822

BUS. (808) 988-2231
FAX. (808) 988-1140
E-Mail: kurahashi1@cs.com

January 6, 2003

Mr. Glenn M. Okimoto
Interim Director of Transportation
State of Hawaii
869 Punchbowl Street
Honolulu, Hawaii 96813

**Subject: Draft Environmental Assessment for Kinau Vista, an Affordable
Elderly Rental Development - TMK: 2-4-12: 009 and 028**

Dear Mr. Okimoto:

Thank you for your response, dated December 2, 2002, to our Draft Environmental Assessment (Draft EA) for Kinau Vista, an affordable elderly rental development.

Your letter and this response will be included in the Final EA for the project.

Very truly yours,

Anne F. Kusao
for Keith Kurahashi

cc: HCDCH ✓
Mr. Gary Furuta ✓

FIRE DEPARTMENT
CITY AND COUNTY OF HONOLULU

3375 KOAPAKA STREET, SUITE H425 • HONOLULU, HAWAII 96819-1869
TELEPHONE: (808) 831-7761 • FAX: (808) 831-7750 • INTERNET: www.honolulufire.org

JEREMY HARRIS
MAYOR



ATTILIO K. LEONARDI
FIRE CHIEF

JOHN CLARK
DEPUTY FIRE CHIEF

December 3, 2002

Mr. Keith H. Kurahashi
Kusao & Kurahashi, Inc.
2752 Woodlawn Drive, Suite 5-202
Honolulu, Hawaii 96822

Dear Mr. Kurahashi:

Subject: Draft Environmental Assessment (EA) for Kinau Vista
A Proposed Family Affordable Rental Development
Tax Map Key: 2-4-012: 009 and 028

We received your letter dated November 7, 2002, requesting our comments on the Draft Environmental Assessment for the above-mentioned project.

The Honolulu Fire Department (HFD) requires that the following be complied with:

1. Provide a private water system where all appurtenances, hydrant spacing, and fire flow requirements meet Board of Water Supply standards.
2. Provide a fire department access road within 150 feet of the first floor of the most remote structure. Such access shall have a minimum vertical clearance of 13 feet 6 inches, be constructed of an all-weather driving surface complying with Department of Transportation Services (DTS) standards, capable of supporting the minimum 60,000-pound weight of our fire apparatus, and with a gradient not to exceed 20%. The unobstructed width of the fire apparatus access road shall meet the requirements of the appropriate county jurisdiction. All dead-end fire apparatus access roads in excess of 150 feet in length shall be provided with an approved turnaround having a radius complying with DTS standards.

Mr. Keith H. Kurahashi
Page 2
December 3, 2002

3. Submit civil drawings to the HFD for review and approval.

Should you have any questions, please call Battalion Chief Kenneth Silva of our Fire Prevention Bureau at 831-7778.

Sincerely,



ATTILIO K. LEONARDI
Fire Chief

AKL/SK:bh

cc: Office of Environmental Quality Control
Sharyan L. Miyashiro, Housing Community Development Corporation of Hawaii

KUSAO & KURAHASHI, INC.

Planning and Zoning Consultants

MANOA MARKET PLACE
2752 WOODLAWN DRIVE, SUITE 5-202
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E-Mail: kurahashi1@cs.com

February 12, 2003

Mr. Attilio K. Leonard, Fire Chief
Honolulu Fire Department
3375 Koapaka Street, Suite H425
Honolulu, Hawaii 96819

Attention: Mr. Kenneth Silva, Battalion Chief, Fire Prevention Bureau

**Subject: Kinau Vista Draft Environmental Assessment - An Elderly
Affordable Rental Housing Development - TMK: 2-4-12: 9 & 28**

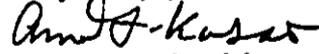
Thank you for your response, dated December 3, 2002, to our Draft Environmental Assessment (Draft EA) for Kinau Vista, an affordable elderly rental development.

Our responses to your comments are as follows:

1. A Fire protection system, as required by the Fire Department, will be provided per Board of Water Supply Standards.
2. Based on preliminary meetings that our consultants (architectural and civil engineering) have had with your staff, we will be able to provide adequate fire protection for the proposed development.
3. Civil drawings will be submitted to the Honolulu Fire Department for review and approval prior to the Building Permit being issued.

Your comments and our response will be included in the Final EA.

Very truly yours,

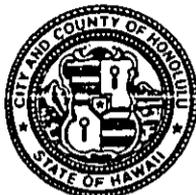
for 
Keith Kurahashi

cc: HCDCH
Mr. Gary Furuta

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET • HONOLULU, HAWAII 96813
TELEPHONE: (808) 523-4414 • FAX: (808) 527-6743 • INTERNET: www.co.honolulu.hi.us

JEREMY HARRIS
MAYOR



ERIC G. CRISPIN, AIA
Acting Director

LORETTA K.C. CHEE
DEPUTY DIRECTOR

2002/ELOG-3275 (j1)

December 3, 2002

Mr. Keith Kurahashi
Kusao & Kurahashi, Inc.
2752 Woodlawn Drive, Suite 5-202
Honolulu, Hawaii 96822

Dear Mr. Kurahashi:

Subject: Draft Environmental Assessment
Kinau Vista Affordable Elderly Rental Apartments
1150 Kinau Street and 1320 Piikoi Street - Makiki
Tax Map Key 2-4-12: 9 and 28

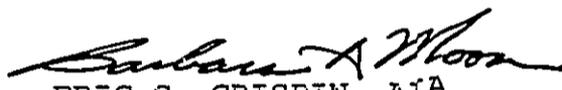
We have reviewed the Draft Environmental Assessment (DEA) for the proposed Kinau Vista Affordable Elderly Rental Apartment Development and offer the following comments:

1. Page 4, L. Existing Use, and page 24, items 3. and 4., should note that the existing dwellings have been demolished.
2. Page 7-A. The Public Facilities Map should be changed to the Primary Urban Center (PUC) Development Plan Public Facilities Map.
3. Page 16. How is the proposal consistent with the proposed PUC Development Plan, i.e., building height, streetscape environment, and site and building design?
4. The loading zone will be approximately one foot from the left side property line. Screening in the form of a wall or hedge should be provided along the property boundary.

Mr. Keith Kurahashi
Page 2
December 3, 2002

Thank you for the opportunity to comment on the DEA. If you have any questions, please contact Jeff Lee of our staff at 527-6274.

Sincerely yours,


ERIC G. CRISPIN, AIA
for Acting Director of Planning
and Permitting

EGC:cs

cc: Office of Environmental Quality Control
Sharyn L. Miyashiro, Executive Director, HCDCH

DN191307

KUSAO & KURAHASHI, INC.

Planning and Zoning Consultants

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February 12, 2003

Mr. Eric G. Crispin, AIA, Director
Department of Planning and Permitting
City and County of Honolulu
650 S. King Street, 7th Floor
Honolulu, Hawaii 96813

Attention: Mr. Jeff Lee, Staff Planner

Subject: Kinau Vista - Draft Environmental Assessment
TMK: 2-4-12: 009 and 028

Dear Mr. Crispin:

Thank you for your response, dated December 3, 2002, to our Draft Environmental Assessment (Draft EA) for Kinau Vista, an affordable elderly rental development.

Our comments to your responses are as follows:

1. Pages 4 and 24 of the Draft EA will be corrected in the Final EA to note that the previously existing dwellings located at 1320 Piikoi Street have been demolished.
2. Page 7A of the Draft EA will be changed in the Final EA to the Primary Urban Center (PUC) Development Plan Public Facilities Map.
3. Page 16 of the Draft EA will be changed in the Final EA to show that the proposed elderly affordable development is consistent with the proposed PUC Development Plan.
 - a. The property is designated Higher-Density Residential Mixed Use on the proposed PUC Development Plan. The proposed

affordable elderly apartment use is consistent with this designation.

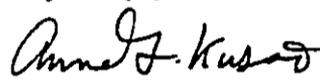
- b. Section 3.3.2, "Policies" recognizes the need to support development of affordable housing in the policy to "*Provide incentives and cost savings for affordable housing. Provide exemptions from zoning and building codes for housing projects that meet established standards of affordability, on a case-by-case basis.*"

This affordable senior rental apartment development is following this policy through processing of a 201G permit application. Although the project is well below the existing height limit (150 feet) for the site, it will exceed the 60-foot height limit proposed by the PUC Development Plan. The height of the proposed apartment, however, is in keeping with the heights of three of the four lots located west of the project site and two lots east of the project site on Kinau Street.

- 4. Screening in the form of a wall or hedge will be provided along the property boundary fronting the loading zone.

Your comments and this response will be included in the Final EA.

Very truly yours,


for Keith Kurahashi

cc: HCDCH
Mr. Gary Furuta

POLICE DEPARTMENT
CITY AND COUNTY OF HONOLULU
801 SOUTH BERETANIA STREET
HONOLULU, HAWAII 96813 - AREA CODE (808) 529-3111
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<http://www.honolulupd.org>
www.co.honolulu.hi.us

JEREMY HARRIS
MAYOR



LEE D. DONOHUE
CHIEF

GLEN R. KAJIYAMA
PAUL D. PUTZULU
DEPUTY CHIEFS

OUR REFERENCE CS-KP

December 4, 2002

Mr. Keith H. Kurahashi
Kusao and Kurahashi, Inc.
2752 Woodlawn Drive, Suite 5-202
Honolulu, Hawaii 96822

Dear Mr. Kurahashi:

Thank you for the opportunity to review and comment on the Draft Environmental Assessment for Kinau Vista, a proposed family affordable rental development.

Please note that if parking is inadequate in accommodating the residents of the facility as well as for visitors to the facility, there will be a negative impact on police calls for service. This usually occurs in response to illegally parked vehicles in the surrounding area.

The proposed facility is in an area that is very heavily congested with traffic feeding the H-1 Freeway, and the Honolulu Police Department has a number of concerns relative to the proposed project.

For safety reasons as well as efficiency, we would like to recommend that two driveways, one for ingress and the other for egress, instead of the one that is being proposed, be provided. We would further like to recommend that these driveways be located as far west on Kinau Street as possible, as a means of minimally impacting the already heavy vehicular traffic that is attempting to negotiate the left turn from Kinau Street to Piikoi Street.

Further, because this is such a densely populated area, complaints about dust, noise, odors, and contractors' vehicles may generate complaints and calls for police service to the area during the construction phase of the project. Please coordinate any traffic issues with Captain Edward Nishi of District 1 at 529-3386.

Serving and Protecting with Aloha

KUSAO & KURAHASHI, INC.

Planning and Zoning Consultants

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E-Mail: kurahashi1@cs.com

February 12, 2003

Mr. Karl Godsey
Assistant Chief of Police
Honolulu Police Department
Support Services Bureau
801 South Beretania Street
Honolulu, Hawaii 96813

Attention: Ms. Carol Sodetani

**Subject: Kinau Vista Draft Environmental Assessment - An Elderly
Affordable Rental Housing Development - TMK: 2-4-12: 9 & 28**

Dear Mr. Godsey:

Thank you for your response, dated December 4, 2002, to our Draft Environmental Assessment (Draft EA) for Kinau Vista, an affordable elderly rental development.

Our responses to your comments are as follows:

1. We are proposing 30 parking stalls for the Kinau Vista Elderly Affordable Rental Development. Due to space availability at this site, we are providing more parking stalls in relation to units developed than we have at three other senior affordable housing sites. Two of the three other sites that have been opened do not utilize all of the tenant stalls provided.

In addition to public transportation (The Bus) the following transportation services will be available to the residents of Kinau Vista on an "as need" basis. Catholic Charities of the Diocese of Honolulu, under the auspices of Catholic Charities Elderly Services, has a mission to provide needed services to elderly individuals living in Honolulu. One of the many services provided by Catholic Charities Elderly Services will be transportation for residents to

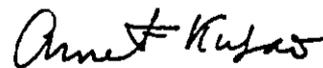
doctors' offices, other medical offices, entitlement offices, or financial appointments, etc. They will also provide shopping service by providing transportation and assistance in marketing (food shopping) and any other shopping needs the residents may require. TheHandi-Van will also be available to the residents of Kinau Vista. These alternative transportation services eliminate much of the need for residents of Kinau Vista to have to walk to nearby public bus stops.

Six of the parking stalls will be marked as visitor stalls. Parking will be adequate in accommodating the residents of the Kinau Vista Apartments as well as their visitors.

4. Due to the physical characteristics of this long narrow lot two driveways would be difficult to provide. This constraint and our intent to maximize parking on the lot results in the driveway being situated in the center of the lot. Regarding your concern with the added vehicles and their impact on left turns from Kinau Street to Piikoi Street, according to the traffic assessment summary it is projected that the elderly rentals will have minimal impact during the morning (three vehicles entering and two vehicles exiting) and afternoon peak hours (four vehicles entering and three vehicles exiting).
5. The contractor will employ best management practices (BMP') to control and reduce the discharge of pollutants during construction of the Kinau Vista Apartments. In addition, the contractor will ensure that the Department of Health noise standards for construction vehicles will be met. The contractor will be told to coordinate any traffic issues with Captain Edward Nishi of District 1 at 529-3386.

Your comments and this response will be included in the Final Environmental Assessment.

Very truly yours,



Anne Kusao

cc: HCDCH

LINDA LINGLE
GOVERNOR OF HAWAII



DE
GILBERT S. COLOMA-AGARAN, CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCES MANAGEMENT

STATE OF HAWAII

DEPARTMENT OF LAND AND NATURAL RESOURCES

HISTORIC PRESERVATION DIVISION
KAKUHIHEWA BUILDING, ROOM 555
801 KAMOKILA BOULEVARD
KAPOLEI, HAWAII 96707

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
COMMISSION ON WATER RESOURCE
MANAGEMENT
CONSERVATION AND RESOURCES
ENFORCEMENT
CONVEYANCES
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
LAND
STATE PARKS

December 5, 2002

Keith Kurahashi, Inc.
2752 Woodlawn Drive, Suite 5-202
Honolulu, Hawaii 96822

LOG NO: 31134 ✓
DOC NO: 0211EJ06

Dear Mr. Kurahashi:

**SUBJECT: Chapter 6E-42 Historic Preservation Review – Draft Environmental Assessment (DEA) for Kinau Vista: A Proposed Family Affordable Rental Development
Honolulu, Kona, O`ahu
TMK: (1) 2-4-012:009 and 028**

Thank you for the opportunity to comment on the DEA for the Kinau Vista Affordable Rental Development. We received the DEA on November 8 and have the following comments.

Archaeological Concerns

Section IV.E.1 states that no archaeological sites are known for this location and that previous development and grading of the parcels makes it unlikely that archaeological resources would be found. We agree with this assessment and thus believe that this project will have "no effect" on archaeological deposits.

Architectural Concerns

Thank you for the photographs and historic information on the house. This should mitigate the adverse effect of its demolition.

Should you have any questions about archaeology, please feel free to call Sara Collins at 692-8026 or Elaine Jourdane at 692-8027. Should you have any questions about architectural matters, please feel free to contact Tonia Moy at 692-8030.

Aloha,

A handwritten signature in black ink, appearing to read "Don Hibbard".

Don Hibbard, Administrator
State Historic Preservation Division

EJ:jk

c: OEQC, State Office Tower, 235 S. Beretania Street, #702, Hon., HI 96813
Sharyan L. Miyashiro, Executive Director, State of Hawaii, Housing Community
Development Corporation of Hawaii, 677 Queen St., Suite 300, Hon., HI 96813

Julian Ng, Incorporated**Facsimile Transmittal**

P. O. Box 816 Kaneohe, Hawaii 96744-0816

phone: (808) 236-4325

fax: (808) 235-8869

Date: January 7, 2003**To:** Ms. Ann Kusao
Kusao & Kurahashi**@ Fax #:** 988-1140**From:** Julian Ng**Re:** Kinau Vista

This is Sheet 1 of 1

Message:

Material you can use for a response to December 5, 2002 letter from UH Environmental Center:

The scope of work to develop the traffic assessment letter for the Kinau Vista project was based on the very small traffic impact of the project. Available traffic counts were used to provide an indication of existing peak period conditions in the area and no new counts were taken. The best count information available was the manual counts taken in 1999. Other traffic data indicate that there has been no increase in traffic in the area. The table below shows the weekday traffic volumes (average of several counts taken by the State Highways Division each year) at the nearby on-ramps to the H-1 Freeway:

Traffic Entering H-1 From Ramps Near Piikoi/Pensacola Streets				
Year	Westbound On-ramp	Eastbound On-ramp	Total Entering Freeway	Variance from 1999
1998	27,128	9,930	37,058	-2.96%
1999	28,120	10,070	38,190	0.00%
2000	27,677	9,854	37,531	-1.73%
2001	26,158	8,836	34,994	-8.37%

As shown in the table, traffic volumes on the ramps have decreased since 1999.

Evaluation of other intersections farther away would show results similar to those reported in the assessment letter.

With regard to access to bus stops, we acknowledge that the traffic assessment identified only the path to the nearest bus stop. While additional distance and additional street crossings may be required to or from bus stops on King Street, the alternative paths between the bus stops on King Street and the project site have concrete sidewalks and all crossings are at signalized intersections.

KUSAO & KURAHASHI, INC.
Planning and Zoning Consultants

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February 12, 2003

Mr. Don Hibbard, Administrator
State Historic Preservation Division
Department of Land and Natural Resources
601 Kamokila Boulevard
Kapolei, Hawaii 96797

Attention: Ms. Tonia Moy

Subject: Kinau Vista - Draft Environmental Assessment - TMK:2-4-12:9 & 28

Dear Mr. Hibbard:

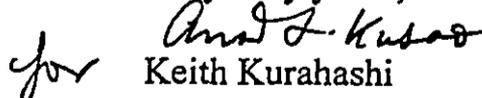
Thank you for your response, dated December 5, 2002, to our Draft Environmental Assessment (Draft EA) for Kinau Vista, an affordable elderly rental development.

Our responses to your comments are as follows:

1. We appreciate your comment that no archaeological sites are known for this location and that previous development and grading of the parcels makes it unlikely that archaeological resources would be found. We also appreciate your comment that this project will have "no effect" on archaeological deposits.
2. We are pleased that the photographs and historic information provided for the house that was demolished was helpful.

Your comments and this response will be included in the Final EA.

Very truly yours,


Keith Kurahashi

cc: HCDCH
Mr. Gary Furuta

UNIVERSITY OF HAWAII

Environmental Center

December 5, 2002

EA: 0296

Mr. Gary S. Furuta
Hawaii Housing Development Corporation
725 Kapiolani Blvd., Suite C-103
Honolulu, HI 96813

Dear Mr. Furuta:

Kinau Vista
Affordable Elderly Rental Apartment Development
Draft Environmental Assessment
Honolulu, Oahu

The Hawaii Housing Development Corporation proposes to develop an eight-story elderly affordable rental apartment building in Honolulu. The proposed development consists of two separate parcels of land. TMK: 2-4-12: 09 is located at 1150 Kinau Street and consists of 11,100 sq. ft. TMK: 2-4-12: 28 is located at 1320 Pi'ikoi Street and consists of 5,761 sq. ft.

This housing project will include 62 1-bedroom affordable rental units and a two-bedroom resident manager's unit, 30 at grade parking stalls, two of which will be handicapped accessible stalls, and one loading stall, for elderly residents who earn at or below 30% and 60% of the area median income (AMI).

Kevin Polloi of the Environmental Center participated in the review of this document.

General Comments

While the traffic assessment prepared by Julian Ng, Incorporated states that "[T]he proposed project will have minimal impact to traffic conditions on Kinau Street and the surrounding area" (section 3.4.4), one of our main concerns is the safety of the elderly residents of the project. It is commonsense that in heavy traffic situations, agitated drivers tend to be impatient and careless. This poses a great risk to elderly residents walking to and from the bus stops and other locations in the area.

Parking unavailability is also a recurring problem in this area. The document proposes to decrease parking stalls from a possible 62 to just 18 stalls; a reduction of 44 stalls. Does the reduction take into account the number of possible visitors to the facility at any given time? Is it possible to offer empty stalls as paid parking to people working in the area as well as the general public?

Mr. Gary S. Furuta
December 5, 2002
Page 2 of 2

Specific Comments

Appendix II: Traffic Assessment

A review of the document's traffic analysis has found some inadequacies. They are further explained below.

A substantial weakness is that the entire study was based on 1999 traffic data. Three years later, the study still assumes that peak traffic counts have not changed. Current traffic conditions will have a considerable effect to the safety of the elderly that are going to be residing in the area. Current traffic data must be considered.

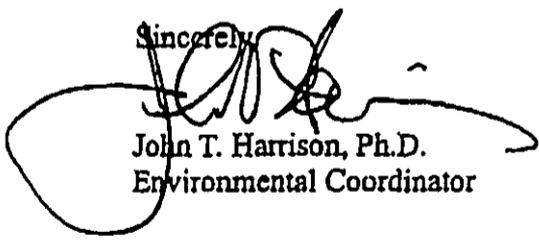
Furthermore, on page 4 of the study it states that "[T]he nearest bus stop is located on Beretania Street, approximately two blocks from the site. The shortest walking path between the development site and the bus stop includes one street crossing at a traffic signal with no conflicting traffic turning over the crosswalk". However, it fails to address the fact that buses for that bus stop on Beretania only go one way towards the downtown area. Elderly residents wishing to go to destinations in the opposite direction (Diamond Head direction) must cross three additional streets to get to the bus stop located on King Street. The elderly are further placed in unsafe situations by these extra street crossings.

Given that the document identifies bus stops to be utilized by residents located on Beretania and King Streets and argues that the elderly will be walking more rather than utilizing vehicles, it would have been expected that the traffic assessment would consider traffic conditions in a broader area, rather than being limited to the Pi'ikoi/Kinau region.

In conclusion, the traffic analysis should be revised using current data considering the extended community within which the residents reasonable may be expected to walk, and an assessment must be done on pedestrian safety, especially for the benefit of those elderly residents in the general area of the development site.

Thank you for the opportunity to review this draft environmental assessment.

Sincerely,



John T. Harrison, Ph.D.
Environmental Coordinator

Cc: OEQC
Kusao & Kurahashi, Inc.
James Moncur
Kevin Polloi

KUSAO & KURAHASHI, INC.

Planning and Zoning Consultants

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E-Mail: kurahashi1@cs.com

February 24, 2003

John T. Harrison, Ph.D.,
University of Hawaii
Environmental Center
2600 Dole Street, Krauss Annex 19,
Honolulu, Hawaii 96822

**Subject: Kinau Vista - Draft Environmental Assessment
TMK: 2-4-12: 009 and 028**

Dear Dr. Harrison:

Thank you for your response, dated December 5, 2002, to our Draft Environmental Assessment (Draft EA) for Kinau Vista, an affordable elderly rental development.

Our responses to your comments are as follows:

General Comments - We agree that the safety on nearby streets of the elderly residents of the proposed Kinau Vista is of utmost importance. Hawaii Housing Development Corporation strives to offer affordable housing to the elderly, within the Primary Urban Center of the island, where the demand for affordable housing is the greatest. In doing so, the problem with traffic and busy streets is a recurring concern. However, offering affordable housing to the elderly within the Primary Urban Center of the island, allows the residents an opportunity to continue living close to major hospitals, doctors offices, major shopping centers, theaters, and most important close to family and friends living in urban Honolulu.

In addition to public transportation (The Bus) the following transportation services will be available to the residents of Kinau Vista on an "as need" basis. Catholic Charities of the Diocese of Honolulu, under the auspices of Catholic Charities Elderly Services, has a mission to provide needed services to elderly individuals living in Honolulu. One of the many services provided by Catholic Charities Elderly Services will be

transportation for residents to doctors' offices, other medical offices, entitlement offices, or financial appointments, etc. They will also provide shopping service by providing transportation and assistance in marketing (food shopping) and any other shopping needs the residents may require. TheHandi-Van will also be available to the residents of Kinau Vista. These alternative transportation services eliminate much of the need for residents of Kinau Vista to have to walk to nearby public bus stops.

Those seniors that decide to utilize public transportation will be capable of safely crossing intersections necessary to get to bus stops, supermarkets, banks, post office and medical clinics. There are two points with this particular location that make it safer than most.

1. All the intersections that lead to these services are signalized (including Piikoi Street at Kinau, Beretania, Young and King and Pensacola Street at Kinau, Beretania, Young and King.
2. Due to the proposed development near two school sites, Kaahumanu Elementary and McKinley High, we find that care has been taken to provide for improving safety at surrounding intersections by not allowing turns on red for certain approaches and having separate green cycles for pedestrian crossing and vehicles turning over the same crosswalk.

We are proposing 30 parking stalls plus one loading stall, not 18 stalls as indicated in your letter. Due to space availability at this site, we are providing more parking stalls in relation to units developed than we have at three other senior affordable housing sites. Two of the three other sites that have been opened do not utilize all of the tenant stalls provided.

Six of the parking stalls will be marked as visitor stalls. Since we expect that not all 24 tenant stalls will be utilized, we will contact the Department of Planning and Permitting to see if the vacant stalls can be rented to residents or employees in the area on a month to month basis.

Specific Comments - We have enclosed a copy of the traffic engineer's response to concerns raised about the adequacy of the traffic study.

As mentioned earlier, we have provided transportation options for our elderly residents, in addition to public transportation (buses). In addition, our senior residents benefit from signalized intersections for trips to the bus stop, bank, supermarket, post office and medical clinics and further benefit from the project's location near two schools and the safe crossings at surrounding intersections that accommodate school children.

In addition to public transportation (the Bus) the following transportation services will be available to the residents of Kinau Vista on an "as need" basis. Catholic Charities of the Diocese of Honolulu, under the auspices of Catholic Charities Elderly Services, has a mission to provide needed services to elderly individuals living in Honolulu. One of the many services provided by Catholic Charities Elderly Services will be transportation for residents to doctors' offices, other medical offices, entitlement offices, or financial appointments, etc. They will also provide shopping service by providing transportation and assistance in marketing (food shopping) and any other shopping needs the residents may require. TheHandi-Van will also be available to the residents of Kinau Vista. These alternative transportation services eliminate much of the need for residents of Kinau Vista to have to walk to nearby public bus stops.

Your comments and this response will be included in the Final Environmental Assessment.

Very truly yours,



Keith Kurahashi

cc: HCDCH
Mr. Gary Furuta

DEPARTMENT OF TRANSPORTATION SERVICES
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 3RD FLOOR • HONOLULU, HAWAII 96813
TELEPHONE: (808) 523-4529 • FAX: (808) 523-4730 • INTERNET: www.co.honolulu.hi.us

JEREMY HARRIS
MAYOR



CHERYL D. SOON
DIRECTOR

GEORGE "KEOKI" MIYAMOTO
DEPUTY DIRECTOR

December 17, 2002

TPD11/02-18034R

Mr. Keith H. Kurahashi
Kusao & Kurahashi, Inc.
2752 Woodlawn Drive, Suite 5-202
Honolulu, Hawaii 96822

Dear Mr. Kurahashi:

Subject: Kinau Vista

In response to your November 7, 2002 letter, we reviewed the draft environmental assessment (EA) for the subject project and have the following comments:

1. Provisions should be made to accommodate all loading activities/needs (i.e., deliveries, trash service, TheHandi-Van service, etc.) completely on-site. All associated maneuvering should also be accommodated on-site to minimize the impact on the adjacent streets.
2. The loading space for the project is proposed to be 20'x 8'6", which is smaller than that required by the Land Use Ordinance (LUO). The EA should also address the adequacy of the proposed space and why it deviates from the LUO. Access to this loading space seems restricted due to its location and the adjacent column.
3. Page 32 of the draft EA states that TheHandi-Van vehicle will pickup/drop-off at the curbside of Kinau Street. Since the door is on the right side of the vehicle, pickups/drop-offs would have to be made on the makai curb of Kinau Street, requiring TheHandi-Van users to cross the street. This should be clarified in the document.

Should you have any questions regarding these comments, please contact Faith Miyamoto of the Transportation Planning Division at 527-6976.

Sincerely,

Handwritten signature of Cheryl D. Soon in cursive.

CHERYL D. SOON
Director

cc: Ms. Genevieve Salmonson
Office of Environmental Quality Control
Ms. Sharyn Miyashiro
Housing Community Development
Corporation of Hawaii

KUSAO & KURAHASHI, INC.

Planning and Zoning Consultants

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E-Mail: kurahashi1@cs.com

February 12, 2003

Ms. Cheryl D. Soon, Director
Department of Transportation Services
City and County of Honolulu
650 S. King Street, 3rd Floor
Honolulu, Hawaii 96813

Attention: Ms. Faith Miyamoto

Subject: Kinau Vista - Draft Environmental Assessment
TMK: 2-4-12: 009 and 028

Dear Ms. Soon:

Thank you for your response, dated December 17, 2002, to our Draft Environmental Assessment (Draft EA) for Kinau Vista, an affordable elderly rental development.

Our response to your comments are as follows:

1. All loading activities/needs (i.e., deliveries, trash service, etc.) will be accommodated on site, utilizing the loading space provided adjacent to the main entrance of the building. We understand that The Handi-Van vehicle will pickup/drop-off at the curbside on the makai side of Kinau Street.
2. The loading space provided will measure 20' 0" x 8'-6" in size which will meet the minimum LUO standard for a smaller loading stall. The off-street loading area will not require vehicles to back out into the street, as adequate maneuvering space is available for vehicles to exit the parking area in the proper manner. Please refer to the Site Plan in Appendix I of this report. The experiences of our property management company, Prudential Locations, Inc. in managing similar senior affordable rental apartments, and our own experience in operating Westeria Vista and Kalakaua Vista, all of which have

loading spaces similar to that being proposed, is that large moving vehicles are not normally utilized by the residents. The apartments are furnished with all the necessary major appliances such as refrigerators, stove and dishwasher, and laundry facilities are offered within the building itself. It is our experience that at the time of move-in and/or move-out family and friends are there to assist the senior resident in the moving of personal furnishing, primarily with personal vehicles, including smaller trucks.

3. In our Final EA, we will correct page 32 of the draft EA to state that TheHandi-Van will pick-up and/or drop-off on the makai curb on Kinau Street. Fortunately, the kokohead bound traffic on Kinau Street has a "No Left Turn on Red" restriction so that the elderly crossing Kinau Street will not have to worry about vehicles turning during their walk cycle across Kinau Street.

Your comments and this response will be included in the Final EA.

Very truly yours,



for

Keith Kurahashi

cc: HCDCH
Mr. Gary Furuta