

ORDER
OF THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY
STATE OF HAWAII
August 8, 2012

In re the Application of)	File No.: PL MASP 13.2.8
)	
THE TRUSTEES OF THE ESTATE OF)	
BERNICE PAUAHI BISHOP)	
)	
for a Master Plan Permit)	
_____)	

**FINDINGS OF FACT, CONCLUSIONS OF LAW,
AND DECISION AND ORDER FOR A MASTER PLAN PERMIT AMENDMENT**

On February 10, 2012, Trustees of the Estate of Bernice Pauahi Bishop dba Kamehameha Schools ("Petitioner" or "KS"), submitted an application for an amendment to the Master Plan Permit ("PL MASP 13.2.8"), pursuant to Chapter 206E of the *Hawaii Revised Statutes* ("HRS") and Chapter 15-22 of the *Hawaii Administrative Rules* ("HAR"). The Master Plan Permit was issued to Petitioner for the Kaiāulu 'O Kaka'ako Master Plan ("KKMP") covering approximately 29 acres of land in the Kakaako Community Development District ("Kaka'ako"). The Hawaii Community Development Authority ("Authority"), having heard and examined the testimony, evidence, and argument of counsel during the hearing, along with Petitioner's Proposed Findings of Fact, Conclusions of Law, and Decision and Order for a Master Plan Permit Amendment, filed on June 27, 2012, and updated on July 27, 2012, and Hearings Officer's Proposed Findings of Fact, Conclusions of Law, and Decision and Order for a Master Plan Permit Amendment, filed on August 8, 2012, hereby makes the following Findings of Fact, Conclusions of Law, and Decision and Order:

FINDINGS OF FACT

1. On September 2, 2009, the Authority approved the KKMP and issued the Master Plan Permit ("PL MASP 13.2.8"). [Pet FOF #1, See Transcript of Kamehameha Schools Permit No. PL MASP 13.2.8 Contested Case Hearing dated June 13, 2012 ("Hearing Trans.") at 4:19-20]

2. The TMK Nos. of the Land Blocks covered by the Master Plan Permit are:

Land Block A: TMK No. 2-1-030: 001 and Halekauwila Street, Lot A-1
between South and Keawe Streets (TMK No. 2-1-030: 043);

Land Block B: TMK Nos. 2-1-054: 025, 027, 028, and 032;

Land Block C: TMK Nos. 2-1-054: 001;

Land Block D: TMK Nos. 2-1-053: 004, 005, 027, and Koula Street, Lot B,
between Pohukaina and Auahi Streets (TMK No. 2-1-053: 032);

Land Block E: TMK Nos. 2-1-055: 004, 009, 017;

Land Block F: TMK Nos. 2-1-055: 003, 006, 021, 026, 038;

Land Block G: TMK Nos. 2-1-055: 001, 002, 018, 032, 033, 034, 035; and Lana
Lane between Auahi Street and Ala Moana Boulevard

Land Block H: TMK No. 2-1-056: 003 and 004 and Ohe Lane between Auahi
Street and Ala Moana Boulevard; and

Land Block I: TMK No. 2-1-056: 002, 007, and 008.

[Pet FOF#2, Pet Exhibit #1; Hearing Trans. at 4:19-25, 5:1-3]

3. The Master Plan Permit is vested under Chapter 15-22 of HAR (the "Mauka Area Rules") in effect at the time in which the permit was approved and issued. [Pet FOF#3, Pet Exhibit #1; Hearing Trans. at 5:4-6, Pet Exhibit #12 ("Quintiliani Dec") at ¶15]

4. On February 10, 2012, Petitioner, submitted an application for an amendment to the Master Plan Permit to allow the satisfaction of its reserved housing requirements through the condominium conversion and sale of reserved housing units in a project known as Pagoda Terrace and to be known as Rycroft Terrace (the “Project”), which is located outside the boundaries of Kaka‘ako. [Pet FOF#4 as amended, Hearing Trans. at 5:13- 21, Quintiliani Dec at 24, Pet Exhibit #13 (“Savio Dec”) at ¶6]

5. On April 19, 2012, the Notice of Contested Case Hearing for the contested case hearing and notice of potential interveners was published by the Authority in the Honolulu Star-Advertiser, The Maui News, Hawaii Tribune-Herald, West Hawaii Today, and The Garden Island. [Pet FOF#5 as amended, HCDA Exhibit #1]

6. Petitions for Intervention to establish the parties to the contested case hearing was noticed and no petitions for intervention were submitted by the deadline of May 1, 2012. [Pet FOF#6 as amended, Hearing Trans. at 5:22-25 and 6:1]

7. On May 9, 2012, a pre-hearing conference was held at the Authority’s offices at 461 Cooke Street, Makai Room, Honolulu, Hawaii 96813. William Meheula Esq., appeared for Petitioner. No petition for intervention had been filed, thus, no intervener was present. Therefore, Petitioner was given instructions on the process and what exhibits were needed to continue the contested case hearing. [Pet FOF#7, Hearing Trans. at 6:1-4]

8. On June 13, 2012, the contested case hearing on the amendment to the Master Plan Permit was held at the Authority’s offices at 461 Cooke Street, Makai Room, Honolulu, Hawaii 96813, pursuant to §15-22-206 of HAR in effect at the time the permit was approved and issued, and pursuant to the provisions of HRS 206E-5.6 and Subchapter 3 of Title 15, Subtitle 4, Chapter 219, HAR. [Pet FOF#8, Hearing Trans. at 5:6-12]

9. William Meheula, Esq., and Gail Tamashiro, Esq. appeared for Petitioner. Petitioner called Peter Savio (president and owner of HHH Owners, Inc., the sole member of HHH Terrace Operating Company LLC), Paul Quintiliani (the Senior Director of the Commercial Real Estate Division of Kamehameha Schools) and Deepak Neupane (the Director of Planning and Development for the Authority) as witnesses. [Pet FOF#9 as amended, Hearing Trans. Savio at commencing 22, 71, and 91; Quintiliani at 72; and Neupane at 88]

10. Petitioners submitted and the Hearings Officer accepted Pet Exhibits numbered 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, and 13. [Pet FOF#10 as amended, Hearing Trans. at 21:23-25, 22:1-2]

11. The Hearings Officer closed the evidentiary portion of the contested case hearing but left the record open to receive the Armstrong Reserved Study, the dimensions or the specifications of the rental reserved housing units in the project located at 680 Ala Moana Boulevard, the relevant portions of the Hawaiiana Management Agreement, and the building department zoning compliance letter. [Pet FOF#11, Hearing Trans. at 94:16-22]

12. On June 13, 2012, at 2:30 pm, Petitioner's staff and counsel, the Hearings Officer, the Authority's staff and counsel, Peter Savio, and Barry Kaplan, an agent of HHH Terrace Operating Company LLC, a Hawaii limited liability company ("HHH Terrace"), visited the Project. (Pet FOF#12)

13. On June 27, 2012, Petitioner filed Petitioner's Proposed Findings of Fact, Conclusions of Law, and Decision and Order for a Master Plan Permit Amendment. (Pet FOF#18 as amended)

14. On July 8, 2012, the notice of public hearing to be held on August 8, 2012, pursuant to § 206E-5.6, HRS, was published in the Honolulu Star-Advertiser, The Maui News, Hawaii

Tribune Herald, The Garden Island, and the West Hawaii Today. [Pet FOF# 20 as amended, HCDA Exhibit #2]

15. On July 26, 2012, Petitioner submitted to the Hearings Officer as proposed Exhibits #7A (the revised Rycroft Terrace RH Program), #13A (the updated declaration of Peter Savio), #14 [the Rycroft Terrace Reserve Study prepared by Armstrong Consulting, Inc., a Hawai'i corporation, dated June 27, 2012 (the "Armstrong Report")], #15 (the size, dimensions, and the specifications of the rental reserved housing units in the Project to be known as Six Eighty and located at 680 Ala Moana Boulevard) and #16 [the proposed provisions of the declaration of condominium property regime for the Project and the bylaws of the Association of Unit Owners of Rycroft Terrace (the "Association") and the proposed management agreement with Hawaiiana Management Company, Ltd., which obligates it, at the direction of, and under the supervision of, the Association's board, on a semi-annual basis, to collect from owners signed certificates of compliance with the owner-occupant requirements and submit to the Authority those certificates that are collected]. (HCDA FOF #16)

16. On July 27, 2012, Petitioner filed Petitioner's First Amended Proposed Findings of Fact, Conclusions of Law, and Decision and Order for a Master Plan Permit. (HCDA FOF#17)

17. On August 8, 2012, the Hearings Officer filed Hearings Officer's Proposed Findings of Fact, Conclusions of Law, and Decision and Order for a Master Plan Permit Amendment. (HCDA FOF#18)

18. On August 8, 2012, the staff of the Authority submitted its analysis and recommendation that the requested amendment be approved (the "Staff Report"). Staff also recommended that, for providing 162 reserved housing units at the Project, Petitioner receive a

credit of 100 reserved housing units that can be utilized to fulfill a portion of the reserved housing requirements in Kaka‘ako. (Pet FOF#21 as amended)

19. On August 8, 2012, the Authority members held a public hearing to consider the Proposed Findings of Fact, Conclusions of Law, and Decision and Order for a Master Plan Permit Amendment submitted by the Hearings Officer and Petitioner and to take action on the Application. (Pet FOF#22 as amended)

20. Petitioner submitted and the Authority accepted into evidence Exhibits 7A, 12A, 13A, 13B, 14, 15, and 16. (Pet FOF#23 as amended)

21. The Hearings Officer submitted his proposed Findings of Fact, Conclusions of Law, and Decision and Order for consideration by the Authority.

22. Having reviewed the Hearings Officer’s proposed Findings of Fact, Conclusions of Law, and Decision and Order, the Petitioner waived their right to review and file comments and exceptions, pursuant to Section 91-9, Hawaii Revised Statutes, and stipulated to the order.

23. Having reviewed the Hearing Officer’s Findings of Fact, Conclusions of Law, and Decision and Order, stipulated to by the Petitioner, the Authority adopted as its own these Findings of Fact, Conclusions of Law, and Decision and Order.

I. Master Plan Development Agreement and Supplement No. 1

24. Effective as of October 6, 2009, the Authority and Petitioner entered into the Master Plan Development Agreement (the “Master Plan Development Agreement”) pursuant to Decision and Order #2 of the Master Plan Permit. (Pet FOF#25 as amended, Pet Exhibit #2; Quintiliani Dec at ¶ 16)

25. The Master Plan Development Agreement provides, in part, that to encourage Petitioner’s early delivery of reserved housing units in advance of the construction of market

housing, the Authority would effectuate a reserved housing credit account process and provide for Petitioner to earn reserved housing credits (“RH Credits”) for such reserved housing units. (Pet FOF#26 as amended, Pet Exhibit #2, Quintiliani Dec at ¶ 17)

26. On or about June 20, 2011, pursuant to Decision and Order #2 of the Master Plan Permit and the Master Plan Development Agreement and to implement the manner and timing of reserved housing and certain initial improvements, the Authority and Petitioner entered into Supplement No. 1 to Master Plan Development Agreement for Kaiāulu ‘O Kaka‘ako Master Plan (“Supplement No. 1”). (Pet FOF#27 as amended, Pet Exhibit #3, Quintiliani Dec at ¶ 18]

27. Supplement No. 1 indicates that the HCDA and KS agree to a multi-faceted program to encourage the early delivery of reserved housing and that KS is entitled to earn reserved housing credits (i) if KS transfers land in the Master Plan Area to HCDA or another entity identified by HCDA and at a rate approved by HCDA; (ii) KS constructs more reserved housing units for any planned development in the Master Plan Area than is required for that project; (iii) if a third-party entity has built more reserved housing in the Kaka‘ako Community Development District than required under its development and transfers reserved housing credits to KS; (iv) if KS participates in a joint venture that results in excess reserved housing units in the Master Plan Permit Area; (v) as approved by HCDA, KS converts non-reserved housing into reserved housing within the Kaka‘ako Community Development District; (vi) as approved by HCDA, allow KS to earn one hundred (100) reserved housing credits for the condominium conversion of 162 units in the Pagoda Terrace. (HCDA FOF#24, Pet Exhibit #3 at 7 to 11)

28. Pursuant to § 206E-4 (18), HRS, which was in effect when the Master Plan Permit was issued, the Authority is authorized to allow reserved housing units outside of Kaka‘ako to

satisfy reserved housing requirements imposed by the Authority on developments within Kaka‘ako. (Pet FOF#28 as amended, Pet Exhibit #3, Quintiliani Dec at ¶ 19)

29. Supplement No. 1 provides, among other matters, if the development rules for the mauka area of Kaka‘ako allow reserved housing units to be built outside of Kaka‘ako to satisfy reserved housing requirements within Kaka‘ako, Petitioner may request amending the Master Plan Permit as follows:

- “(a) to allow KS to earn one hundred (100) RH Credits for the condominium conversion of 162 units in the Pagoda Terrace and the sale of such 162 units as reserved housing units, or, if fewer than 162 units are sold as reserved housing units, to earn RH Credits equal to sixty-two percent (62%) of the total reserved housing units sold;
- (b) to earn the RH Credits when the Pagoda Terrace is submitted to a condominium property regime to create the condominium units and the seller has entered into a binding commitment with KS to sell the units as reserved housing units at compliant prices to qualified buyers; and
- (c) to apply such RH Credits [on a one-for-one basis] to satisfy the reserved housing requirement of any development within the KCDD.”

(Pet FOF#29 as amended, Pet Exhibit #3 at 10 to 11; Quintiliani Dec at ¶ 20)

30. Supplement No. 1 also provides that Petitioner shall make the request for amending the Master Plan Permit within 200 days from adoption of the proposed development rules and the Authority shall grant or deny such request by Petitioner within two hundred (200) days of its submission to the Authority. (Pet FOF#30 as amended, Pet Exhibit #3 at 11, Quintiliani Dec at ¶ 21)

31. On November 11, 2011, the Authority adopted § 15-218-17(d)(2) of the HAR, whereby the Authority may allow reserved housing units outside of Kaka‘ako to satisfy reserved

housing requirements within Kaka‘ako on a case-by-case basis, and two hundred (200) days therefrom is May 29, 2012. (Pet FOF# 31 as amended, Quintiliani Dec at ¶ 22)

32. On February 10, 2012 (and prior to the deadline for such application), Petitioner submitted the Amendment Application to the Authority for an amendment to the Master Plan Permit pursuant to Chapter 206E of the HRS and the development rules in effect on September 2, 2009, being Chapter 15-22 of the HAR. (Pet FOF#32 as amended, Pet Exhibit #4, Quintiliani Dec at ¶ 23)

II. The Project

A. Location and Ownership

33. The Project is located just 6 blocks east of Kaka‘ako (about 2,000 feet) or an approximate seven-minute walk thereto. [Pet FOF#33 as amended, Pet Exhibit #8, Quintiliani Dec at ¶29(a)]

34. The Project is in an ideal location for affordable housing because it is convenient for work, shopping, and entertainment, it is close to and in the same market area as Kaka‘ako, it is near two main bus lines, and walking distance to many venues. These attributes will have a positive impact on the demand for units in the Project. (Pet FOF# 34 as amended, Savio testimony, Hearing Trans. at 30: 2-8)

35. Petitioner owns the leased fee interest in the Project and HHH Terrace is the current lessee of the Project under Lease No. 13,338, dated September 1, 1961. [Pet FOF#35 as amended, Pet Exhibit #5, Savio Dec at ¶¶7-8; Quintiliani Dec at ¶26]

36. On April 12, 2012, Peter B. Savio, President, Secretary and Treasurer of HHH Owners, Inc., sole member of HHH Terrace provided Paul A. Quintiliani with a Notice of Commitment to Exercise Option under that certain unrecorded Purchase and Sale Option

Agreement effective as of December 20, 2010, made by Petitioner in favor of HHH Terrace, a memorandum of which is dated as of December 20, 2010 and recorded in the Bureau of Conveyances as Document No. 2010-197312 (the "Pagoda Terrace Option Agreement") and attached to the notice is an unexecuted Pagoda Terrace Conversion Reserved Housing Agreement between Petitioner and HHH Terrace (the "Pagoda Terrace RH Agreement") for HHH Terrace to acquire Petitioner's leased fee interest in the Project and to sell in fee simple the newly created condominium units as reserved housing units pursuant to Chapter 15-22 of HAR. (HCDA FOF#33, Pet Exhibits #5 and #6; Savio Dec at ¶¶ 9-12)

37. While a true and correct copy of the Pagoda Terrace RH Agreement acceptable to the Petitioner is attached as Petitioner's Exhibit #6, the document has not yet been executed and recorded as of August 8, 2012. (HCDA FOF #34, Pet Exhibit #12)

38. As described in the Pagoda Terrace RH Agreement," the program will be an exclusively owner-occupant fee simple sales program and not a rental program. Pending the sale of a unit in the Pagoda Terrace to a condominium property regime, HHH Terrace may continue to use such unit as it is presently being used or for any use permitted by the lease for the Pagoda Terrace between Kamehameha Schools and HHH Terrace. (Pet FOF#37 as amended, Savio testimony, Hearing Trans. at 40:16-22, 42:3-9, 82:11-14)

B. Description of the Project

39. Prior to conversion, the Project's 162 hotel rooms and related amenities (including a hair salon, a koi pond, pool, and garden areas) have been and continue to be used in HHH Terrace's hotel and student housing operations. (Pet FOF#38 as amended, Pet Exhibit #14)

40. After the conversion, the Project's 162 units shall include 40 studio units with no parking stall, 26 studio units with one parking stall, 14 one bedroom/one bath units each with a lanai and one parking stall, 62 one bedroom/one bath units each with one parking stall, but no lanai, 20 two bedroom/one bath units each with one parking stall, but no lanai. [Pet FOF#39 as amended, Pet Exhibit #7A (Owner-Occupant (Reserved Housing) Presale Announcement)]

41. In addition, the two-story parking garage, open parking areas, single story commercial and recreational structure, pool and sundeck, planned recreation room, laundry facilities, koi pond, elevators, garden areas, and other common areas will all continue to be part of the Project. (Pet FOF#40 as amended, Pet Exhibit #14)

C. Comparison of Project Unit Sizes with Reserved Housing Units in Kaka'ako

42. The Project's studio units are 304 to 321 square feet in size, one-bedroom units range in size from 495 to 616 square feet, and two-bedroom units range in size from 649 to 737 square feet. Thus, the average size of the units is 458 square feet. (Pet FOF#41 as amended, Pet Exhibit #7A)

43. Pacifica Honolulu is a newly constructed condominium project in Kaka'ako. (Pet FOF#42 as amended, Pet Exhibit #9)

44. Pacifica Honolulu's presale announcement shows that the median size of the 124 reserved housing units is 747 square feet. [Pet FOF#43 as amended, Pet Exhibit #9, Quintiliani Dec at 32(c)]

45. The Project's two bedroom units at 649 to 737 square feet are comparable in size to Pacifica Honolulu's two-bedroom unit's median size of 747 square feet. (HCDA FOF# 41 as amended, Pet Exhibits #7A and #9, Quintiliani testimony, Hearing Trans. at 74:9)

46. The size of the reserved housing units on a portion of Land Block F of the KKMP to be known as “Six Eighty” ranges from 312 to 432 square feet for studios and 533 to 639 square feet for one-bedroom units. (HCDA FOF#42 as amended, Pet Exhibit #15)

47. The size of the studio and one-bedroom units in the “Six Eighty” development and the Project are similar and is not atypical for residential projects in urban Honolulu. (Pet FOF# 44 as amended, Quintiliani testimony, Hearing Trans. at 76:9-18, Pet Exhibit #15)

48. The size of the one-bedroom units in the 1133 Waimanu reserved housing development in Kaka‘ako ranges from 534 to 652 square feet and 694 to 751 square feet for two-bedroom units. (HCDA FOF#44, Staff Report Exhibit C)

49. While the size of the one and two-bedroom units in the 1133 Waimanu reserved housing project in Kaka‘ako and the Project are similar, the Project’s proposed sales prices are significantly lower than the prices of reserved housing units in newly constructed projects or resale units in Kaka‘ako. (HCDA FOF#45, Staff Report Exhibit C, Pet Exhibit #12 Quintiliani Declaration at ¶32)

C. Condition of the Project

50. The Project was built in 1963, is now part of the Pagoda Hotel and is used as part of their rental units. A hotel, as a rule, is maintained better than a rental project because the amenities need to be maintained to attract guests. The Project is a superior project compared to most of the long-term rental apartments that are investor-owned and have been converted to condominiums by HIH Terrace’s related companies, especially in troubled rental projects. (Pet FOF#48 as amended, Savio testimony, Hearing Trans. at 24:6-8, at 35:5-12, 37:14-25, 38:1-17)

51. As of August 8, 2012, the Project has not yet received correspondence from the City & County of Honolulu Building Department (“Compliance Letter”) confirming that the

building was built according to the zoning rules in place at the time that the project was built in 1963. (HCDA FOF #48, Savio testimony, Hearing Trans. at 32:6-20; at 40:4-14; at 70:16-25; at 71:1-5, Staff Report at 2 ¶4)

52. The interior of the units in the Project will be in “rentable condition,” which means that everything is clean and in working order. It is comparable to buying a unit in the regular existing inventory real estate market where the unit has been lived in before and being resold. (Pet FOF#49 as amended, Savio testimony, Hearing Trans. at 24:16-19, at 35:13-25)

53. The age of the appliances and carpets vary for the units because they are replaced in the normal course of maintenance in the operation of the Project. (Pet FOF# 50 as amended, Savio testimony, Hearing Trans. at 36:4-25, 37:1 -5)

54. The Armstrong Report is the June 27, 2012 Reserve Study prepared by Armstrong Consulting, Inc. for the Project that contains (i) information about the physical status and repair/replacement cost of the major common area components the association of apartment owners is obliged to maintain and (ii) evaluation and analysis of the association’s reserve balance, income, and expenses. (HCDA FOF#49, Pet Exhibit #14)

55. The Armstrong Report assumed that the costs for a large number of components that are due for repair or replacement between 2013 and 2016 are to be funded by the developer. The specific items for repair or replacement and estimated cost to be paid by the developer are:

- (a) installation of new residential unit air conditioners (\$278,154);
- (b) concrete spall repairs ((\$451,700);
- (c) install new door locksets for residential main entry doors (\$70,131);
- (d) replace metal doors and frames for roof elevator rooms (\$5,500);
- (e) modernization of elevator equipment and cabs (\$400,000);

- (f) install new entryphone system for secure access to facilities (\$36,057);
- (g) upgrade existing and add new laundry room (\$49,941);
- (h) install new community mailboxes (\$14,450);
- (i) allowance for equipment and refurbishment of resident manager office (\$3,000);
- (j) painting of exterior building surfaces (\$243,978);
- (k) restoration of asphalt pavement parking lot (\$365,137);
- (l) pool deck restoration (\$68,400);
- (m) application of a deck coating on walkways and hallways (\$28,969);
- (n) renovation of existing space to create new recreation room (\$10,000);
- (o) refurbishment of the pool men and women's restroom facility (\$25,000); and
- (p) install new "Rycroft Terrace" building signs (\$17,075). (HCDA FOF#50, Pet

Exhibit #14 Rycroft Terrace Reserve Study Summary 1 to 2)

56. The Armstrong Report concludes that, based on HIH Terrace's initial expenditure of \$2,067,492 for the noted repairs, an annual aggregate contribution rate of \$73,745 for 2013 is recommended, increased by 2.0% for each year thereafter. [Pet FOF#51 as amended, Pet Exhibit #14 (Rycroft Terrace Reserve Study Summary)]

57. The parking structure is spalling and has cracks in the concrete. The Armstrong Report estimates the cost of the restoration of the asphalt pavement of the parking lot at \$365,137, which is part of the \$2,067,492 that HIH Terrace has agreed to expend. (Pet FOF#52 as amended, Pet Exhibit #14; Savio testimony, Hearing Trans. at 38:18-25, 39:1-3 and 15-20)

58. The buildings with the hotel rooms have spalling consistent with the age of the buildings. The Armstrong Report estimates the cost of the concrete spall repair at \$451,700, which

is part of the \$2,067,492 that HHH Terrace has agreed to expend. (Pet FOF#53 as amended, Pet Exhibit #14; Savio testimony, Hearing Trans. at 39:4-15)

59. The initial estimated prices of the units have been adjusted based on the Armstrong Report and the revised prices are contained in Exhibit #7A. (Pet FOF#54 as amended, Pet Exhibit #7A)

D. Repair Work and Funding of the Project's Maintenance Reserves

60. HHH Terrace has already replaced the roof of the Pagoda Terrace with a new roof as the old one needed to be replaced. (HCDA FOF#51, Savio Testimony, Hearing Trans. at 26:2-4)

61. HHH Terrace will make certain repairs to the property prior to selling units in the Project. HHH Terrace will also, on behalf of the Association, commence certain repairs to the Project prior to the sale of the units and upon the transfer of control of the Project to the Association, the contracts for such repair work then in progress will be assigned to the Association along with the funds necessary to complete the contracted work. HHH Terrace will also fund the maintenance reserves for the Project repairs that will need to be completed in the near future so that buyers do not need to worry about their maintenance fees increasing in the first few years of ownership. Based on the Armstrong Report, HHH Terrace agrees that it will expend no less than \$2,067,492, in the aggregate, for the repairs and the funding of the maintenance reserves for the Project. Developers will often make major repairs to improvements even if the improvements have a remaining useful life, which increases the cost of the unit. By funding the maintenance reserves, buyers, through their association, will make the repairs when necessary and, in the meantime, the funds in the reserve account will earn interest. (Pet FOF#56 as amended, Pet Exhibit #13b, Pet Exhibit #14; Savio testimony, Hearing Trans. at 25:9-25, 26:1-9, 52:11-25)

E. Parking

62. As described in the Rycroft Terrace RH Program, 122 units are being offered with one parking stall each and the pricing includes such stall. Forty (40) studio units are being offered without a parking stall and have been priced accordingly. (Pet FOF#57 as amended, Pet Exhibit #7A; Savio Dec at ¶ 14)

63. A prospective buyer of any of the 122 units being offered with a parking stall may elect not to purchase a stall and will receive a \$25,000 price reduction. Any stall made so available will in turn be offered to the buyers of units that have not yet been assigned a parking stall for a purchase price of \$25,000. (Pet FOF# 58 as amended, Savio Dec at ¶ 15)

64. The Project is subject to the Land Use Ordinance of the City and County of Honolulu pursuant to § 46-4 of the HRS (County zoning) and its construction around 1962 predates the creation of Kaka‘ako in 1976. (Pet FOF#59 as amended, Pet Exhibits 14 and 17; Quintiliani Dec at ¶ 33; Savio Dec at ¶ 16)

65. Although the sales of the units in the Project are subject to §§15-22-180 to 192 of the HAR, being the reserved housing rules in effect on September 2, 2009, the parking requirements of the Project are governed by the City’s Land Use Ordinance and thus are not governed by the development rules of Kaka‘ako. (Pet FOF#60 as amended, Pet Exhibit #17, Quintiliani Dec at ¶ 34)

66. Although the Project does not comply with parking requirements for new residential construction under the City’s Land Use Ordinance (or under the development rules of Kaka‘ako), a condominium conversion of the Project is permitted without adding new parking which would otherwise be required under the current code so long as this current noncompliance is disclosed to buyers. (Pet FOF# 61 as amended, Savio Dec at ¶ 17)

67. Thus, upon receipt of the effective date for the public report and compliance with the other requirements of Chapter 514B, the units in the Project will be offered for sale to buyers. (Pet FOF# 62 as amended, Savio Dec at ¶17)

68. Buyers of units in projects located in the urban core, especially elderly buyers, often elect not to purchase a parking stall if they do not own a vehicle and are able to walk to their destinations or rely on public transportation. (Pet FOF# 63 as amended, Savio Dec at ¶17a)

69. Companies related to HIH Terrace own or have access to parking stalls in the immediate vicinity of the Project. If a buyer elects not to purchase a parking stall, but wishes to have access to parking, HIH Terrace will cause the related companies to offer to rent a parking stall to such a buyer so long as HIH Terrace or its related companies continue to own parking stalls in the vicinity of the Project. (Pet FOF# 64 as amended, Savio Dec at ¶17a-b)

F. No Displacement of Long-Term Tenants.

70. The Project is currently used as a hotel and for student housing and no long-term renters will be displaced. [Pet FOF# 65 as amended, Savio Dec at ¶ 27; Quintiliani Dec at ¶ 31(b)]

71. Most of the Project is under a hotel rental program and some units are rented to students under a dormitory program that runs for the school year from September to May and depending on the date the sales program commences, students in only four or five units may need to move to the hotel property across the street and the student dormitory agreements include a provision where HIH Terrace has the right to move students to the hotel property. (Pet FOF# 66 as amended, Savio testimony, Hearing Trans. at 43:10-25 and 72:1-4)

III. The Rycroft Terrace Reserved Housing Program

72. HIH Terrace has provided Notice of Commitment to Exercise Option under the Pagoda Terrace Option Agreement and attached thereto is the unexecuted Pagoda Terrace RH

Agreement between Petitioner and HHH Terrace for the sale of the converted units at the Project pursuant to the reserve housing rules under Chapter 15-22, HAR. (Pet FOF#67 as amended, Pet Exhibits #5 and #6; the last page of Pet Exhibit #6 titled “Exhibit C” was stricken from the record, Hearing Trans. 21:21-22)

73. Petitioner and HHH Terrace have provided to the Authority’s staff an unexecuted copy of the Rycroft Terrace RH Program. (Pet FOF#68 as amended, Pet Exhibits #7 and #16)

74. The Rycroft Terrace RH Program, including the summary, the announcements, the form of affidavit of owner/occupants, the registration agreement, as contained in Pet Exhibit #7A complies with the reserved housing program and is very similar to the programs that were administered by the Authority in Kaka‘ako, such as the reserved housing program for Keola Lai and Pacifica Honolulu. (Pet FOF# 69 as amended, Neupane testimony, Hearing Trans. at 89:2-14)

75. As shown in the Rycroft Terrace Program, the marketing of units in the Project will target lower income homeowners with incomes that are less than 120% of the Honolulu area median income (“AMI”) seeking to live in or near Kaka‘ako in our urban core, although homeowners with incomes that are between 121% to 140% of AMI may qualify to purchase. (Pet FOF#70 as amended, Pet Exhibit #7A; Savio Dec at ¶ 13)

76. The proposed sales prices are at a level affordable to buyers at the 40% to 80% of AMI. [Pet FOF#71 as amended, Pet Exhibit #7A (Summary of the Program); Savio testimony, Hearing Trans. at 30:22-25, 31:1]

77. Pursuant to the Rycroft Terrace Program, during the initial offering period, prospective buyers who have submitted a completed Reserved Housing Application Package and who have met the HUD medium income qualifications, will be placed on the selection list in chronological order and in the following order of priority:

First, to buyers at or below 100% of AMI;

Second, to buyers at 101% to 110% of AMI;

Third, to buyers at 111% to 120% of AMI;

Fourth, to buyers at 121% to 130% of AMI; and

Fifth, to buyers at 131% to 140% of AMI.

(Pet FOF#72 as amended, Pet Exhibit #7A; Savio Dec at ¶ 22; Savio testimony, Hearing Trans. at 30:22-25, 31:1-20, 58:3-25, 59:1-13)

78. Following the initial offering period, units will continue to be held for sale to buyers with household income not exceeding 140% AMI. (Pet FOF# 73 as amended, Savio testimony, Hearing Trans. at 18:12-17)

79. Regardless of demand and the ability of buyers to qualify, sixteen units (10% of all units or 16% of all RH Credits earned by Petitioners) will be sold to buyers at or below 100% of AMI. [Pet FOF#74 as amended, Pet Exhibit #7A; Savio testimony, Hearing Trans. at 31:21-24. Quintiliani Dec at ¶ 32(b)]

80. There should be a strong demand for the units by buyers at or below 100% of AMI, including those in the range of 40% to 50% of AMI, because the Project will be one of the few projects in the urban core presenting this opportunity for such buyers. Even with strong demand, closings will be a challenge because many buyers will have difficulty qualifying for a purchase money loan and others may feel too insecure about their ability to repay the loan. (Pet FOF# 75 as amended, Savio testimony, Hearing Trans. at 28: 3-21)

81. The sales prices of the units in the Project are intended to be as follows:

\$118,000 to \$126,950 for studios without a parking stall,

\$149,750 to \$152,600 for studios with a parking stall,

\$192,500 to \$199,550 for one-bedroom units with a parking stall, and

\$260,900 to \$263,950 for two-bedroom units with a parking stall.

[Pet FOF#76 as amended, Pet Exhibit #7A; Pet Exhibit #13A (Updated Savio Dec) at ¶ 4]

82. In contrast, Pacifica Honolulu is a newly constructed project, and the prices of the 124 reserved housing units therein range from \$350,000 to \$466,050. (Pet FOF#77 as amended, Pet Exhibit #9)

83. The regulated term for the units in the Project is ten years while the regulated term for the Pacifica Honolulu is only two years. [Pet FOF#78 as amended, Pet Exhibits 7 and 9, Savio testimony, Hearing Trans. 61:9-25]

84. The units for sale in the Project are of substantially greater value to residents with household incomes at or less than 100% of AMI compared to higher priced new reserved housing units in Kaka‘ako (such as reserved housing units in Pacifica Honolulu) because such residents achieve home ownership. For such residents, the individual and personal value for them is immeasurable because they would not otherwise be a homeowner. (Pet FOF# 79 as amended, Quintiliani testimony, Hearing Trans. at 81:1-7]

IV. Ensuring Occupancy of Project Units by Owner Occupants

85. To help ensure that buyers of the units in the Project remain as owner-occupants during, at a minimum, the ten-year regulated term, HIH Terrace has agreed to cause (a) the proposed declaration of condominium property regime for the Project and the bylaws of the Association to provide that the Association (acting by and through its property manager) is obligated, on a semi-annual basis, to collect from owners signed certificates of compliance with the owner-occupant requirements and submit to the Authority those certificates that are collected, and (b) the property manager (initially Hawaiiana Management Company, Ltd.), at the direction

of, and under the supervision of, the Association's board, to perform such obligations on behalf of the Association. (Pet FOF#80 as amended, Pet Exhibits 7A and 16; Savio testimony, Hearing Trans. at 92:16-25, 93:1-21)

V. Substantial Public Benefit and Value.

86. Pursuant to Supplement No. 1, the Authority and Petitioner acknowledged that there are significant public benefits for the Authority to grant the Petitioner's request including (a) the early availability of up to 162 moderately priced residential units located in the heart of urban Honolulu and less than a half-mile from Kaka'ako district, (b) more reserved housing units provided than the RH Credits earned, and (c) serving the intended beneficiaries and achieving the goals of reserved housing identified in the development rules because of the proximity of the Project to the Kaka'ako. (Pet FOF#81 as amended, Pet Exhibit #3)

87. The Project is part of the broader neighborhood of Kaka'ako and the sale of reserved housing units will result in significant public benefits to this urban economic heart of Honolulu and the public at large.

(a) The Project is located just 6 blocks east of Kaka'ako (about 2,000 feet) as shown Pet Exhibit #8 or an approximate seven-minute walk thereto.

(b) While older rental units and more recent high-end condominiums exist in this neighborhood, the area lacks the full balance of housing options because of the dearth of housing units available for purchase by those of moderate income.

(c) The lack of units for sale at moderate prices hinders the goal of achieving diverse neighborhoods in urban Honolulu in which full-time local residents are vested in home ownership and in the area's continued renewal.

(d) To that end, the Project serves as a rare home ownership opportunity for families of moderate means and other members of a “gap-group” to benefit from urban redevelopment.

(c) As gap-group families take advantage of this opportunity to purchase reserved housing, they will also look to nearby areas for job opportunities, public spaces, and retail experiences. (Pet FOF#82 as amended, Pet Exhibit #8, Savio Dec at ¶¶6; Quintiliani Dec at ¶¶29)

88. The Project is ideal for reserved housing units because of its central urban location; the average price of a unit should make it affordable to a qualified buyer with an adjusted household income that is less than 140% of AMI, with sixteen units in the Project held for purchase only to buyers with incomes of 100% or less of AMI; the prices are low enough that a buyer should be able to create equity from principal repayments on his or her loan; over time, a buyer should be able to sell and use such equity to purchase another principal residence and give the next buyer the opportunity to purchase at a price regulated by the Authority; the current interest rate environment and affordable pricing will allow many who presently can only afford to rent an opportunity to buy and own their own home; the sales prices and monthly condominium maintenance fees will be lower than Pacifica Honolulu, a newly constructed project in Kaka‘ako; and the Authority’s first option to purchase and shared equity requirements should discourage speculators. (Pet FOF# 83 as amended, Savio Dec at ¶¶19, 20, and 26)

89. Similar projects in urban Honolulu are not predominantly owner-occupied because of the prevalence of investor-owners. The Project will be entirely owner-occupied because of the reserved housing requirements. The buyers should be able to live, work, and play in urban Honolulu and not contribute to the traffic created by those commuting to and from the suburbs. (Pet FOF# 84 as amended, Savio Dec at ¶¶23-25)

90. More reserved housing units will be created by the Project than under the development rules because Petitioner will receive only 100 RH Credits for 162 reserved housing units. Assuming that 2,750 residential units are developed in the KKMP area, 550 of them should be reserved housing units. Because Petitioner will receive only 100 RH Credits for the 162 reserved housing units at the Project, a potential of 612 reserved housing units would be provided for within the urban core, being the 550 units described above and the 62 units in the Project for which Petitioner is not receiving RH Credits. [Pet FOF#85 as amended, Pet Exhibit #1, Quintiliani Dec at ¶¶ 30(a) and (b)]

91. The 162 units in the Project are a substitute for 100 reserved housing units in Kaka‘ako. Therefore, $162 \text{ reserved housing units in the Project} \times 458 \text{ square feet (the average size of the Project's units)} = 74,196 \text{ square feet}$, divided by 100 units = a 742 square foot reserved housing unit in Kaka‘ako, which is substantially equal to Pacifica Honolulu’s reserved housing units with a median size of 747 square feet. [Pet FOF#44 as amended, Pet Exhibits 7 and 9, Quintiliani Declaration at 32(b)]

92. Petitioner is currently developing Six Eighty, a 54-reserved housing rental unit project on a portion of Land Block F of the KKMP. Therefore, 216 reserved housing units will be added this year as a part of the initial phase of the KKMP (54 at Six Eighty and 162 at the Project), with a potential of 396 more reserved housing units in Kaka‘ako (550 less the 54 units at Six Eighty and the 100 RH Credits). [Pet FOF#86 as amended, Pet Exhibits 1 and 15, Quintiliani Dec at ¶ 30(c)]

93. The sales of units in the Project will precipitate the immediate delivery of up to 162 moderately priced residential units in this broader neighborhood of Kaka‘ako in advance of the construction of market housing and will not displace long-term renters. While new projects

generally take a significant time to plan, build, and develop, the Project is poised to deliver reserved housing units at a much earlier date, thereby expediting the addition of new stakeholders in the area and fostering further community development and cohesiveness. (Pet FOF# 87 as amended, Quintiliani Dec at ¶ 31)

94. The units in the Project are substantially equal to the reserved housing units in the Kaka‘ako in size, condition, location, convenience, livability, owner-occupancy monitoring, no displacement of long-term tenants, timing of delivery, and most important, affordability. (Pet FOF#89 as amended, Pet Exhibits #7, #8, #9, #14, #15, and #17; Quintiliani Dec at ¶¶ 29 to 32, 34; Savio Dec at ¶ 23-25, 27; Quintiliani testimony, Hearing Trans. at 76:9-18, 81:1-7; Savio testimony, Hearing Trans. at 30: 2-8, 35:5-25, 36:4-25, 37:1-5, 14-25, 38:1-17, 43:10-25, 72:1-4, 92:16-25, and 93:1-21)

95. Because Petitioner will be receiving 100 RH Credits for 162 reserved housing units in the Project, the 162 substitute units in the Project are, at a minimum, substantially equal in value to the 100 required reserved housing units in Kaka‘ako. (Pet FOF# 90 as amended, Id.

RULINGS ON PROPOSED FINDINGS OF FACT

Any of the findings of fact submitted by Petitioner not already ruled upon by the Authority by adoption herein, or rejected by clearly contrary finding of fact herein, are hereby denied and rejected.

Any conclusions of law herein improperly designated as a finding of fact should be deemed or construed as a conclusion of law; any finding of fact herein improperly designated as a conclusion of law should be deemed or construed as a finding of fact.

CONCLUSIONS OF LAW

1. The Authority has jurisdiction to issue master plan permits and approve master plan amendment applications pursuant to §§ 206E-7 and 206E-33, HRS, and pursuant to §§15-22-202 and 206(d) of HAR in effect at the time the master plan permit was approved and issued.

2. Master plan permit amendments are deemed approved if no decisions are made granting or denying them within 200 days. § 15-22-23(a)(1), HAR. The 200-day deadline commenced on February 10, 2012, when the Master Plan Permit Amendment was deemed complete. The Master Plan Permit Amendment will be deemed approved if no decisions are made granting or denying it by August 28, 2012.

3. Pursuant to § 206E-4 (18), HRS and § 15-218-17(d)(2), HAR, the Authority is authorized to allow the satisfaction of any reserved housing requirements imposed by the Authority upon any proposed development project by providing such reserved housing units on land located outside of Kaka‘ako on a case-by-case basis and such substitute reserved housing should be substantially equal in value to the required reserved housing units in Kaka‘ako.

4. Pursuant to HRS § 206E-(18), the Project is substantially equal in value to the required reserved housing units developed or to be developed in Kaka‘ako, because they are of comparable size to units being developed at 680 Ala Moana Boulevard, Petitioner is only receiving 100 RH Credits for delivering 162 reserved housing units in very close proximity to the district, and as demonstrated by the Pacifica Honolulu reserved housing prices in Exhibit #8, the current cost to develop makes it very difficult for landowners in Kaka‘ako to construct moderately priced reserved housing units at the price level being offered by the Project.

5. Upon consideration of Chapter 206E, HRS, and the development rules under Chapter 15-22, HAR, and Chapter 15-218, HAR, and the facts contained in this Order, and the

Authority finds upon the clear preponderance of the evidence, that the amendment to the Master Plan Permit is consistent with the provisions of the Mauka Area Plan and Chapter 15-22, HAR, pursuant to § 15-22-205(b), HAR.

DECISION AND ORDER

A. IT IS HEREBY ORDERED that the following underlined sentence shall be added to the end of paragraph 8 of the Decision and Order of the Master Plan Permit and the amended paragraph 8 shall read as follows:

8. **Reserved Housing.** Petitioner shall satisfy its reserved housing requirement for the Master Plan Area, which shall be equal to twenty percent (20%) of the total number of actual residential units built for the Master Plan Area, as permitted by the Mauka Area Rules. Petitioner shall provide ten percent (10%) (or one-tenth) of its reserved housing requirement at or below one hundred percent (100%) of the area median income. The up to 100 reserved housing credits generated from the conversion and sale of units in the project currently known as Pagoda Terrace, pursuant to that certain unrecorded Supplement No. 1 to Master Plan Development Agreement for Kaiāulu ‘O Kaka‘ako Master Plan dated June 20, 2011, by the Authority and Petitioner, may be used to satisfy these reserved housing requirements.

IT IS HEREBY FURTHER ORDERED that

1. **Execution and Recordation of the Pagoda Terrace Conversion Reserved Housing Agreement and the Project’s submission documents to create the Condominium Property Regime and Units .** Petitioner shall forthwith execute the Pagoda Terrace RH Agreement between Petitioner and HIH Terrace and record it at the Bureau of Conveyances and within thirty (30) days of its execution provide to the Authority a copy of both the previously executed and recorded memorandum of the Pagoda Terrace Option Agreement and the executed and recorded Pagoda Terrace RH Agreement. The foregoing may be released of record once the submission documents creating the Project, which shall contain the reserved housing requirements, are recorded in the Bureau of Conveyances.

2. **Repairs and/or Funding of the Maintenance Reserves for the Project.** HHH Terrace will provide evidence to the Authority that it has expended no less than \$2,067,492, in the aggregate, for repairs to the Pagoda Terrace and/or the funding of the maintenance reserves for the Project.

3. **Disclosure to Buyers Regarding Project Parking Facility.** HHH Terrace will provide evidence to the Authority that it has disclosed to buyers that the Project is not compliant with parking requirements for new residential construction under the City's Land Use Ordinance or the development rules of Kaka'ako.

4. **No Binding Sales Contracts Until a Favorable and Appropriate Building and Zoning Compliance Letter has been issued by the City and County and Compliance with Other Requirements of the City and County has been Achieved.** No binding sales contracts will be entered into with buyers for units in the Project until the City and County has issued an appropriate Building and Zoning Compliance Letter and other requirements of City and County have been met. Petitioner shall file these documents with the Authority within thirty (30) days of their issuance.

5. **Semi-Annual Report Regarding Owner Occupancy of the Project.** The Project Management Company or the Association of Apartment Owners (AOAO) will establish and maintain an owner registration program and provide the Authority with semi-annual reports during the regulated term or ten years (whichever is greater) with certifications by the occupants of the units in the Project that they are actually the owner -occupants of the respective units.

In all other respects, the KKMP and Master Plan Permit shall remain in full force and effect.

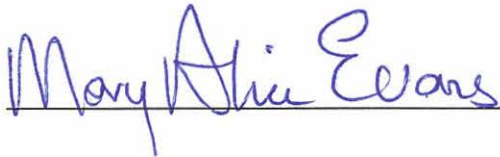
B. The Executive Director of the Authority is authorized to enter into any amendment to the Master Plan Development Agreement consistent with this Order.

C. Petitioner shall record a memorandum of this Order with the Bureau of Conveyances and any amendment to the Master Plan Development Agreement in a form and with content to be reasonably prescribed by the Executive Director of the Authority, and the terms and conditions of thereof shall run with the land.

ADOPTION OF ORDER

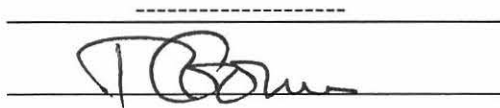
The undersigned Members, being familiar with the record and proceedings, hereby adopt and approve the foregoing ORDER this 8th day of August, 2012. This ORDER and its ADOPTION shall take effect upon the date this ORDER is approved by the Authority.

Done at Honolulu, Hawaii, this 8th day of August, 2012.



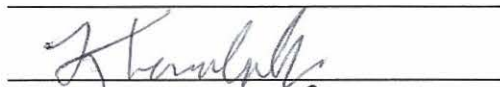
Hawaii Community Development
Authority (Kaka'ako members)

Mary Alice Evans, as designated
representative of Director of Department of
Business, Economic Development
and Tourism



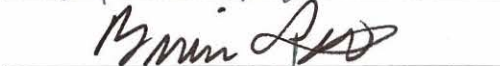
Grady Chun

Randy Grune, as designated representative of
Director of Department of Transportation



Miles Kamimura

Kamaki Kanahele



Brian Lee



Luis Salaveria, as designated representative
of Director of Department of Budget
and Finance

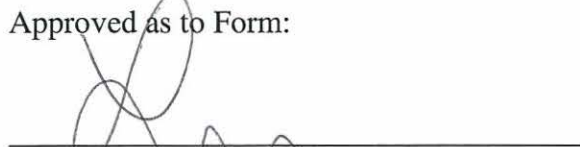


Dean H. Seki



Vacant

Approved as to Form:


Lori N. Tanigawa, Deputy Attorney General

Attachments: HCDA Exhibit #1
HCDA Exhibit #2

AFFIDAVIT OF PUBLICATION

IN THE MATTER OF NOTICE OF CONTESTED CASE HEARING

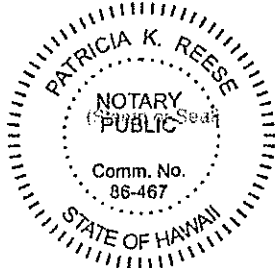
STATE OF HAWAII

City and County of Honolulu

}
} SS.
}

Doc. Date: APR 19 2012 # Pages: 1
Notary Name: Patricia K. Reese First Judicial Circuit
Doc. Description: Affidavit of
Publication

Patricia K. Reese APR 19 2012
Notary Signature Date



Rose Rosales being duly sworn, deposes and says that she is a clerk, duly authorized to execute this affidavit of Oahu Publications, Inc. publisher of The Honolulu Advertiser and MidWeek, that said newspapers are newspapers of general circulation in the State of Hawaii, and that the attached notice is true notice as was published in the aforementioned newspapers as follows:

Honolulu Star-Advertiser 1 times on:
04/19/2012

Midweek Wed. 0 times on:
 times on:

And that affiant is not a party to or in any way interested in the above entitled matter.

Rose Rosales

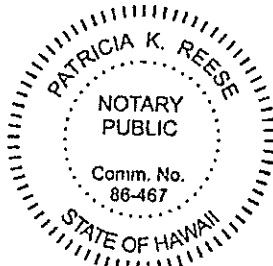
Subscribed to and sworn before me this 19th day

of April A.D. 2012

Patricia K. Reese
Patricia K. Reese, Notary Public of the First Judicial Circuit, State of Hawaii

My commission expires Oct 07/2014

0000407770



HCDA Exhibit #1

NOTICE IS HEREBY GIVEN of a contested case hearing to be held by the Hawaii Community Development Authority ("HCDA") on Kamehameha Schools' ("KS") request for an amendment to its Master Plan permit which was issued on September 2, 2009 and is vested under the Maui Area Rules that were in effect at the time the permit was approved and issued. This contested case hearing is held pursuant to §15-22-206 of the Maui Area Rules which were in effect at the time the permit was issued, and pursuant to the provisions of §206E-5.6, Hawaii Revised Statutes ("HRS"), and Subchapter 3 of Title 15, Subtitle 4, Chapter 219, Hawaii Administrative Rules ("HAR").

DATE: June 13, 2012
TIME: 9:00 a.m.
PLACE: 461 Cooke Street, Makai Room
Honolulu, Hawaii 96813

or as soon thereafter as those interested may be heard to consider the following amendment to the Kalaulea 'O Kaka'ako Master Plan; Kaka'ako, Oahu:

Permit Number: PL MASP 13.2.8 Project Information:

Applicant: Kamehameha Schools
TMKs: 2-1-030: 043
2-1-053: 032
2-1-054: 001, 025, 027, 028,
and 032
2-1-055: 001, 002, 003, 004,
008, 009, 017, 018, 021, 028,
032, 033, 034, 035, 038, and
Lane Lane (between Auahi Street
and Ala Moana Boulevard)
2-1-058: 002, 003, 004, 007, 008, and
Oha Lane (between Auahi Street
and Ala Moana Boulevard)

Request: To amend the Master Plan permit
issued by the HCDA on September
2, 2009

Request Date: February 10, 2012

KS is requesting an amendment to its September 2, 2009 Master Plan permit to allow the satisfaction of its reserved housing requirements through the condominium conversion and sale of reserved housing units in a project known as Pagoda Terrace, which is located outside the boundaries of the Kaka'ako Community Development District.

All persons who seek to intervene in this contested case shall do so by Friday, May 1, 2012. Any petitions for intervention shall comply with §15-219-49, HAR. Petitions for intervention shall be limited to the pending Master Plan permit amendment request and shall not be allowed for any other items regarding the Master Plan permit.

A pre-hearing for potential intervenors will be held on Wednesday, May 9, 2012, at the HCDA office at 9:00 a.m., at which time the process will be explained and the time frame will be established.

A hearing on Petitions for Intervention will be held on Wednesday, May 30, 2012, at the HCDA office at 9:00 a.m. At this hearing, the parties to the contested case hearing will be established. Any party to this contested case proceeding may be represented by legal counsel. An individual may appear on the individual's own behalf, or a member of a partnership may represent the partnership, or an officer or authorized employee of a corporation, trust, or association may represent the corporation, trust, or association.

The contested case hearing will be held on Wednesday, June 13, 2012, at the HCDA office at 9:00 a.m.

A public hearing for decision making on the amendment request will be scheduled at a later date. Notice of this hearing will be at least 30 days prior to the hearing.

HEARING SCHEDULE

DATE	ACTION
May 1, 2012	• Deadline to Petitions for Intervention
May 9, 2012	• Pre-Hearing for Potential Intervenor
May 30, 2012	• Establish Parties in the Matter
June 13, 2012	• Contested Case Hearing
To be determined	• Public hearing for Decision Making on the amendment request

A copy of KS' request for an amendment to its Master Plan permit is available for inspection during regular business hours at the office of the HCDA, 461 Cooke Street, Honolulu, Hawaii 96813, or will be mailed to anyone who requests a copy after payment has been made for copying and postage costs. To request a copy or submit written comments or testimony for the June 13, 2012 public hearing, please contact the office of the HCDA on or before the date of the public hearing. To present oral testimony, sign up at the time of the public hearing. Speakers are requested to submit 30 copies of their statements. For questions or concerns, please call the office of the HCDA at 594-0300.

Individuals who need auxiliary aids for effective communications are invited to contact Chris Sadayasu, HCDA's Americans with Disabilities Act ("ADA") Compliance Coordinator at 594-0300, or by facsimile at 594-0299, at least five working days prior to the date required.

HAWAII COMMUNITY DEVELOPMENT AUTHORITY
Joseph L. Dwight, IV, Chairperson

(SA407770 4/19/12)

AFFIDAVIT OF PUBLICATION

State of Hawaii)
) SS:
County of Hawaii)

M. R. Chavez, being first duly sworn, deposes and says:

1. That she is the Classified Accountant of WEST HAWAII TODAY, a newspaper published in the City of Kailua Kona, State of Hawaii.

2. That "NOTICE OF CONTESTED CASE HEARING NOTICE IS HEREBY GIVEN of a contested case hearing" of which a clipping from the newspaper is attached hereto, was published in said newspaper on the following date(s) April 19, 2012 (etc.)

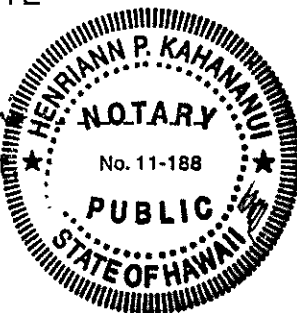
M. R. Chavez

Subscribed and sworn to before me
This 19th day of April, 2012

Henriann P. Kahananui

Notary Public, Third Circuit
State of Hawaii

Henriann P. Kahananui



My Commission expires: June 6, 2015
Page(s): 1

NOTICE OF CONTESTED CASE HEARING

NOTICE IS HEREBY GIVEN of a contested case hearing to be held by the Hawaii Community Development Authority ("HCDA") on Kamehameha Schools' ("KS") request for an amendment to its Master Plan permit which was issued on September 2, 2009 and is vested under the Mauka Area Rules that were in effect at the time the permit was approved and issued. This contested case hearing is held pursuant to §15-22-206 of the Mauka Area Rules which were in effect at the time the permit was issued, and pursuant to the provisions of §206E-5.6, Hawaii Revised Statutes ("HRS"), and Subchapter 3 of Title 16, Subtitle 4, Chapter 219, Hawaii Administrative Rules ("HAR"):

DATE: June 13, 2012

TIME: 9:00 a.m.

PLACE: 461 Cooke Street, Makai Room
Honolulu, Hawaii 96813

or as soon thereafter as those interested may be heard to consider the following amendment to the Kaiaulu 'O Kaka'ako Master Plan, Kakaako, Oahu:

Permit Number:

- PL MASP 13.2.8

Project Information:

Applicant:

Kamehameha Schools

TMKs:

2-1-030: 043
2-1-053: 032
2-1-054: 001, 025, 027, 028, and 032
2-1-055: 001, 002, 003, 004, 006, 009,
017, 018, 021, 026, 032, 033,
034, 035, 038, and Lana Lane
(between Auahi Street and
Ala Moana Boulevard)
2-1-056: 002, 003, 004, 007, 008, and
Ohe Lane (between Auahi
Street and Ala Moana
Boulevard)

Request:

To amend the Master Plan permit issued
by the HCDA on September 2, 2009

Request Date:

February 10, 2012

KS is requesting an amendment to its September 2, 2009 Master Plan permit to allow the satisfaction of its reserved housing requirements through the condominium conversion and sale of reserved housing units in a project known as Pagoda Terrace, which is located outside the boundaries of the Kakaako Community Development District.

All persons who seek to intervene in this contested case shall do so by Friday, May 1, 2012. Any petitions for intervention shall comply with §15-219-49, HAR. Petitions for intervention shall be limited to the pending Master Plan permit amendment request and shall not be allowed for any other items regarding the Master Plan permit.

A pre-hearing for potential intervenors will be held on Wednesday, May 9, 2012, at the HCDA office at 9:00 a.m., at which time the process will be explained and the time frame will be established.

A hearing on Petitions for Intervention will be held on Wednesday, May 30, 2012, at the HCDA office at 9:00 a.m. At this hearing, the parties to the contested case hearing will be established. Any party to this contested case proceeding may be represented by legal counsel. An individual may appear on the individual's own behalf, or a member of a partnership may represent the partnership, or an officer or authorized employee of a corporation, trust, or association may represent the corporation, trust, or association.

The contested case hearing will be held on Wednesday, June 13, 2012, at the HCDA office at 9:00 a.m.

A public hearing for decision making on the amendment request will be scheduled at a later date. Notice of this hearing will be at least 30 days prior to the hearing.

HEARING SCHEDULE

DATE	ACTION
May 1, 2012	• Deadline to Petitions for Intervention
May 9, 2012	• Pre-Hearing for Potential Intervenors
May 30, 2012	• Establish Parties in the Matter
June 13, 2012	• Contested Case Hearing
To be determined	• Public hearing for Decision Making on the amendment request

A copy of KS' request for an amendment to its Master Plan permit is available for inspection during regular business hours at the office of the HCDA, 461 Cooke Street, Honolulu, Hawaii 96813, or will be mailed to anyone who requests a copy after payment has been made for copying and postage costs. To request a copy or submit written comments or testimony for the June 13, 2012 public hearing, please contact the office of the HCDA on or before the date of the public hearing. To present oral testimony, sign up at the time of the public hearing. Speakers are requested to submit 30 copies of their statements. For questions or concerns, please call the office of the HCDA at 594-0300.

Individuals who need auxiliary aids for effective communications are invited to contact Chris Sadayasu, HCDA's Americans with Disabilities Act ("ADA") Compliance Coordinator at 594-0300, or by facsimile at 594-0299, at least five working days prior to the date required.

HAWAII COMMUNITY DEVELOPMENT AUTHORITY

Joseph L. Dwight, IV, Chairperson

H-59331 - West Hawaii Today: April 19, 2012)

HCDA Exhibit #1

AFFIDAVIT OF PUBLICATION

State of Hawaii)

) SS:

County of Hawaii)

LEILANI K. R. HIGAKI

, being first

duly sworn, deposes and says:

1. That she is the BUSINESS MANAGER of
HAWAII TRIBUNE-HERALD, a
newspaper published in the City of HILO,
State of Hawaii.

2. That the "NOTICE OF CONTESTED CASE HEARING...June 13, 2012
...etc.,

"

of which a clipping from the newspaper as published is attached hereto, was published in said newspaper on the following date(s) _____,

April 19, 2012, (etc.).

44532r1

Leilani K. R. Higaki

Subscribed and sworn to before me

this 24th day of April, 2012.

Sharon H. P. Ogata

SHARON H. P. OGATA

Notary Public, Third Circuit, State of Hawaii

My commission expires October 1, 2012

Page(s): 1

NOTICE OF CONTESTED CASE HEARING

NOTICE IS HEREBY GIVEN of a contested case hearing to be held by the Hawaii Community Development Authority ("HCDA") on Kamehameha Schools' ("KS") request for an amendment to its Master Plan permit which was issued on September 2, 2009 and is vested under the Mauka Area Rules that were in effect at the time the permit was approved and issued. This contested case hearing is held pursuant to §15-22-206 of the Mauka Area Rules which were in effect at the time the permit was issued, and pursuant to the provisions of §206E-5.6, Hawaii Revised Statutes ("HRS"), and Subchapter 3 of Title 15, Subtitle 4, Chapter 219, Hawaii Administrative Rules ("HAR").

DATE: June 13, 2012

TIME: 9:00 a.m.

PLACE: 461 Cooke Street, Makai Room
Honolulu, Hawaii 96813

or as soon thereafter as those interested may be heard to consider the following amendment to the Kalaulea 'O Kaka'ako Master Plan, Kaka'ako, Oahu:

Permit Number:

• PL MASP 13.2.8

Project Information:

Applicant: Kamehameha Schools

TMKs:

2-1-030: 043
2-1-053: 032
2-1-054: 001, 025, 027, 028, and 032
2-1-055: 001, 002, 003, 004, 006, 009, 017, 018, 021, 026, 032, 033, 034, 035, 038, and Lana Lane (between Auahi Street and Ala Moana Boulevard)
2-1-056: 002, 003, 004, 007, 008, and Ohe Lane (between Auahi Street and Ala Moana Boulevard)

Request: To amend the Master Plan permit issued by the HCDA on September 2, 2009

Request Date: February 10, 2012

KS is requesting an amendment to its September 2, 2009 Master Plan permit to allow the satisfaction of its reserved housing requirements through the condominium conversion and sale of reserved housing units in a project known as Pagoda Terrace, which is located outside the boundaries of the Kaka'ako Community Development District.

All persons who seek to intervene in this contested case shall do so by Friday, May 1, 2012. Any petitions for intervention shall comply with §15-219-49, HAR. Petitions for intervention shall be limited to the pending Master Plan permit amendment request and shall not be allowed for any other items regarding the Master Plan permit.

A pre-hearing for potential intervenors will be held on Wednesday, May 9, 2012, at the HCDA office at 9:00 a.m., at which time the process will be explained and the time frame will be established.

A hearing on Petitions for Intervention will be held on Wednesday, May 30, 2012, at the HCDA office at 9:00 a.m. At this hearing, the parties to the contested case hearing will be established. Any party to this contested case proceeding may be represented by legal counsel. An individual may appear on the individual's own behalf, or a member of a partnership may represent the partnership, or an officer or authorized employee of a corporation, trust, or association may represent the corporation, trust, or association.

The contested case hearing will be held on Wednesday, June 13, 2012, at the HCDA office at 9:00 a.m.

A public hearing for decision making on the amendment request will be scheduled at a later date. Notice of this hearing will be at least 30 days prior to the hearing.

HEARING SCHEDULE

DATE	ACTION
May 1, 2012	• Deadline to Petitions for Intervention
May 9, 2012	• Pre-Hearing for Potential Intervenors
May 30, 2012	• Establish Parties in the Matter
June 13, 2012	• Contested Case Hearing
To be determined	• Public hearing for Decision Making on the amendment request

A copy of KS' request for an amendment to its Master Plan permit is available for inspection during regular business hours at the office of the HCDA, 461 Cooke Street, Honolulu, Hawaii 96813, or will be mailed to anyone who requests a copy after payment has been made for copying and postage costs. To request a copy or submit written comments or testimony for the June 13, 2012 public hearing, please contact the office of the HCDA on or before the date of the public hearing. To present oral testimony, sign up at the time of the public hearing. Speakers are requested to submit 30 copies of their statements. For questions or concerns, please call the office of the HCDA at 594-0300.

Individuals who need auxiliary aids for effective communications are invited to contact Chris Sadayasu, HCDA's Americans with Disabilities Act ("ADA") Compliance Coordinator at 594-0300, or by facsimile at 594-0299, at least five working days prior to the date required.

HAWAII COMMUNITY DEVELOPMENT AUTHORITY
Joseph L. Dwight, IV, Chairperson

(44532r) Hawaii Tribune-Herald: April 19, 2012)

AFFIDAVIT OF PUBLICATION

STATE OF HAWAII, } ss.
County of Maui.

Rhonda M. Kurohara being duly sworn
deposes and says, that she is in Advertising Sales of
the Maui Publishing Co., Ltd., publishers of THE MAUI NEWS, a
newspaper published in Wailuku, County of Maui, State of Hawaii;
that the ordered publication as to

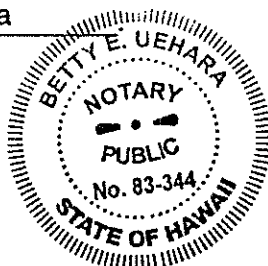
NOTICE OF CONTESTED CASE HEARING

of which the annexed is a true and correct printed notice, was
published 1 times in THE MAUI NEWS, aforesaid, commencing
on the 19th day of April, 2012, and ending
on the 19th day of April, 2012, (both days
inclusive), to-wit: on
April 19, 2012

and that affiant is not a party to or in any way interested in the above
entitled matter.

This 1 page Notice of Contested Case Hearing, dated
April 19, 2012,
was subscribed and sworn to before me this 19 day of
April, 2012, in the Second Circuit of the State of Hawaii,
by Rhonda M. Kurohara

Notary Public, Second Judicial
Circuit, State of Hawaii
BETTY E. UEHARA
My Commission expires 09-26-15



NOTICE OF CONTESTED CASE HEARING

NOTICE IS HEREBY GIVEN of a contested case hearing to be held by
the Hawaii Community Development Authority ("HCDA") on Kamehameha
Schools' ("KS") request for an amendment to its Master Plan permit which
was issued on September 2, 2009 and is vested under the Mauka Area Rules
that were in effect at the time the permit was approved and issued. This
contested case hearing is held pursuant to §15-22-206 of the Mauka Area
Rules which were in effect at the time the permit was issued, and pursuant to
the provisions of §206E-5.6, Hawaii Revised Statutes ("HRS"), and
Subchapter 3 of Title 15, Subtitle 4, Chapter 219, Hawaii Administrative
Rules ("HAR").

DATE: June 13, 2012
TIME: 9:00 a.m.
PLACE: 461 Cooke Street, Makai Room
Honolulu, Hawaii 96813

or as soon thereafter as those interested may be heard to consider the
following amendment to the Kaka'ako Master Plan, Kaka'ako,
Oahu:

Permit Number:	Project Information:
PE MASP 13.2.8	Applicants: Kamehameha Schools
TMKs:	2-1-030: 043
	2-1-053: 032
	2-1-054: 001, 025, 027, 028, and 032
	2-1-055: 001, 002, 003, 004, 006, 009,
	017, 018, 021, 026, 032, 033,
	034, 035, 038, and Lana
	Lane (between Auahi Street
	and Ala Moana Boulevard)
	2-1-056: 002, 003, 004, 007, 008, and
	Ohe Lane (between Auahi
	Street and Ala Moana
	Boulevard)

Requests: To amend the Master Plan permit
issued by the HCDA on September 2,
2009

Request Date: February 10, 2012

KS is requesting an amendment to its September 2, 2009 Master Plan
permit to allow the satisfaction of its reserved housing requirements through
the condominium conversion and sale of reserved housing units in a project
known as Pagoda Terrace, which is located outside the boundaries of the
Kaka'ako Community Development District.

All persons who seek to intervene in this contested case shall do so by
Friday, May 1, 2012. Any petitions for intervention shall comply with §15-
219-49 HAR. Petitions for intervention shall be limited to the pending
Master Plan permit amendment request and shall not be allowed for any
other items regarding the Master Plan permit.

A pre-hearing for potential intervenors will be held on Wednesday, May 9,
2012, at the HCDA office at 9:00 a.m., at which time the process will be
explained and the time frame will be established.

A hearing on Petitions for Intervention will be held on Wednesday, May
30, 2012, at the HCDA office at 9:00 a.m. At this hearing, the parties to the
contested case hearing will be established. Any party to this contested case
proceeding may be represented by legal counsel. An individual may appear
on the individual's own behalf, or a member of a partnership may represent
the partnership, or an officer or authorized employee of a corporation, trust,
or association may represent the corporation, trust, or association.

The contested case hearing will be held on Wednesday, June 13, 2012, at
the HCDA office at 9:00 a.m.

A public hearing for decision making on the amendment request will be
scheduled at a later date. Notice of this hearing will be at least 30 days prior
to the hearing.

HEARING SCHEDULE

DATE	ACTION
May 1, 2012	• Deadline to Petitions for Intervention
May 9, 2012	• Pre-Hearing for Potential Intervenor
May 30, 2012	• Establish Parties in the Matter
June 13, 2012	• Contested Case Hearing
To be determined	• Public hearing for Decision Making on the amendment request

A copy of KS' request for an amendment to its Master Plan permit is
available for inspection during regular business hours at the office of the
HCDA, 461 Cooke Street, Honolulu, Hawaii 96813, or will be mailed to
anyone who requests a copy after payment has been made for copying and
postage costs. To request a copy or submit written comments or testimony for
the June 13, 2012 public hearing, please contact the office of the HCDA on
or before the date of the public hearing. To present oral testimony, sign up at
the time of the public hearing. Speakers are requested to submit 30 copies of
their statements. For questions or concerns, please call the office of the
HCDA at 594-0300.

Individuals who need auxiliary aids for effective communications are
invited to contact Chris Sadayasu, HCDA's Americans with Disabilities Act
("ADA") Compliance Coordinator at 594-0300, or by facsimile at 594-0299,
at least five working days prior to the date required.

HAWAII COMMUNITY DEVELOPMENT AUTHORITY
Joseph L. Dwight, IV, Chairperson

(MN: Apr. 19, 2012)

THE GARDEN ISLAND

ANNETTE KAWASAKI
HAWAII COMMUNITY DEV. AUTHORIT
461 COOKE STREET
HONOLULU HI 96813

REFERENCE: 104706
743134 KAMEHAMEHA SCHOOLS

Kaylen Manoi, being duly sworn, deposes and says, that she is an employee of "The Garden Island," a newspaper published in Lihue, County of Kauai, State of Hawaii; that the NOTICE in the above entitled matter of which the annexed is a true and correct copy, was published _____ time(s) in "The Garden Island" aforesaid and that this affiant is not a party to or in any way interested in the above entitled matter.

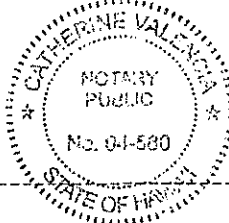
Subscribed and sworn to me this 26 day of April, 2012.

CATHERINE VALENCIA
Notary Public, Fifth Judicial Circuit
State of Hawaii
My Commission Expires: 10-8-2012

Document Description: Affidavit of Publication
No. of pages: 1 Document Date: 4-26-12

PUBLISHED ON: 04/19/2012

FILED ON: 64-19-12



NOTICE OF CONTESTED CASE HEARING

NOTICE IS HEREBY GIVEN of a contested case hearing to be held by the Hawaii Community Development Authority ("HCDA") on Kamehameha Schools' ("KS") request for an amendment to its Master Plan permit which was issued on September 2, 2009 and is vested under the Mauka Area Rules that were in effect at the time the permit was approved and issued. This contested case hearing is held pursuant to §15-22-206 of the Mauka Area Rules which were in effect at the time the permit was issued, and pursuant to the provisions of §206E-5.6, Hawaii Revised Statutes ("HRS"), and Subchapter 3 of Title 15, Subtitle 4, Chapter 219, Hawaii Administrative Rules ("HAR").

DATE: June 13, 2012

TIME: 9:00 a.m.

PLACE: 461 Cooke Street, Makai Room
Honolulu, Hawaii 96813

or as soon thereafter as those interested may be heard to consider the following amendment to the Kalahele O Kaka'ako Master Plan, Kaka'ako, Oahu:

Permit Number:

Project Information:

• PL MASP 13.2.8

Applicant:

Kamehameha Schools

TMKs:

2-1-030: 043

2-1-053: 032

2-1-054: 001, 025, 027, 028, and 032

2-1-056: 001, 002, 003, 004, 006, 009, 017, 018, 021, 026,

032, 033, 034, 035, 036, and Lana Lane (between Auahi

Street and Ala Moana Boulevard)

2-1-058: 002, 003, 004, 007, 008, and Ohe Lane

(between Auahi Street and Ala Moana Boulevard)

Request:

To amend the Master Plan permit issued by the HCDA on September 2, 2009

Request Date: February 10, 2012

KS is requesting an amendment to its September 2, 2009 Master Plan permit to allow the satisfaction of its reserved housing requirements through the condominium conversion and sale of reserved housing units in a project known as Pagoda Terrace, which is located outside the boundaries of the Kaka'ako Community Development District.

All persons who seek to intervene in this contested case shall do so by Friday, May 1, 2012. Any petitions for intervention shall comply with §15-219-49, HAR. Petitions for intervention shall be limited to the pending Master Plan permit amendment request and shall not be allowed for any other items regarding the Master Plan permit.

A pre-hearing for potential intervenors will be held on Wednesday, May 9, 2012, at the HCDA office at 9:00 a.m., at which time the process will be explained and the time frame will be established.

A hearing on Petitions for Intervention will be held on Wednesday, May 30, 2012, at the HCDA office at 9:00 a.m. At this hearing, the parties to the contested case hearing will be established. Any party to this contested case proceeding may be represented by legal counsel. An individual may appear on the individual's own behalf, or a member of a partnership may represent the partnership, or an officer or authorized employee of a corporation, trust, or association may represent the corporation, trust, or association.

The contested case hearing will be held on Wednesday, June 13, 2012, at the HCDA office at 9:00 a.m.

A public hearing for decision making on the amendment request will be scheduled at a later date. Notice of this hearing will be at least 30 days prior to the hearing.

HEARING SCHEDULE

DATE	ACTION
May 1, 2012	• Deadline to Petitions for Intervention
May 9, 2012	• Pre-Hearing for Potential Intervenor
May 30, 2012	• Establish Parties in the Matter
June 13, 2012	• Contested Case Hearing
To be determined	• Public hearing for Decision Making on the amendment request

A copy of KS' request for an amendment to its Master Plan permit is available for inspection during regular business hours at the office of the HCDA, 461 Cooke Street, Honolulu, Hawaii 96813, or will be mailed to anyone who requests a copy after payment has been made for copying and postage costs. To request a copy or submit written comments or testimony for the June 13, 2012 public hearing, please contact the office of the HCDA on or before the date of the public hearing. To present oral testimony, sign up at the time of the public hearing. Speakers are requested to submit 30 copies of their statements. For questions or concerns, please call the office of the HCDA at 594-0300.

Individuals who need auxiliary aids for effective communications are invited to contact Chris Sadayasu, HCDA's Americans with Disabilities Act ("ADA") Compliance Coordinator at 594-0300, or by facsimile at 594-0299, at least five working days prior to the date required.

HAWAII COMMUNITY DEVELOPMENT AUTHORITY
Joseph L. Dwight, IV, Chairperson

(April 19, 2012)

AFFIDAVIT OF PUBLICATION

IN THE MATTER OF
Public Notice

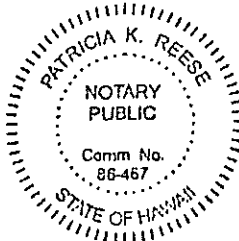
STATE OF HAWAII

City and County of Honolulu

SS.

Doc. Date: JUL - 9 2012 # Pages: 1
Notary Name: Patricia K. Reese First Judicial Circuit
Doc. Description: Affidavit of
Publication

Notary Signature: *Patricia K. Reese* JUL - 9 2012
Date



Rose Rosales being duly sworn, deposes and says that she is a clerk, duly authorized to execute this affidavit of Oahu Publications, Inc. publisher of The Honolulu Star-Advertiser and MidWeek, that said newspapers are newspapers of general circulation in the State of Hawaii, and that the attached notice is true notice as was published in the aforementioned newspapers as follows:

Honolulu Star-Advertiser 1 times on:

07/08/2012

Midweek Wed. 0 times on:

times on:

And that affiant is not a party to or in any way interested in the above entitled matter.

Rose Rosales

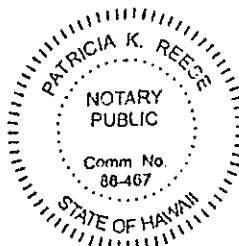
Subscribed to and sworn before me this 9th day

of July, A.D. 2012

Patricia K. Reese, Notary Public of the First Judicial Circuit, State of Hawaii

My commission expires: Oct 07 2014

Ad # 0000430962



HCDA Exhibit #2

NOTICE OF CONTESTED CASE HEARING

NOTICE IS HEREBY GIVEN of the continued contested case hearing and decision making to be held by the Hawaii Community Development Authority ("HCDA") on Kamehameha Schools' ("KS") request for an amendment to its Master Plan permit which was issued on September 2, 2009 and is vested under the Maui Area Rules that were in effect at the time the permit was approved and issued. This contested case hearing is held pursuant to §15-22-206 of the Maui Area Rules which were in effect at the time the permit was issued, and pursuant to the provisions of §206-5.6, Hawaii Revised Statutes ("HRS"), and Subchapter 3 of Title 15, Subtitle 4, Chapter 218, Hawaii Administrative Rules ("HAR").

The previously scheduled Wednesday, July 11, 2012 continuation of the contested case hearing and decision making is cancelled and will be deferred as noticed below:

DATE: August 8, 2012 (continuation of the contested case hearing and decision making)

TIME: 9:00 A.M.

PLACE: 481 Cooke Street, Makai Room
Honolulu, Hawaii 96813

or as soon thereafter as those interested may be heard to consider the following amendment to the Kamehameha Master Plan, Kakaia, Oahu:

Permit Number

• PL MASP 13.2.0

Project Information

Applicant:

Kamehameha Schools

Tracts:

2-1-030: 001 and Halekuanila Street, Lot A-1, between South and Kaena Streets (2-1-030: 043)

2-1-053: 004, 008, 027 and Koule Street, Lot B, between Pohukaina and Auahi Streets (2-1-053: 032)

2-1-054: 001, 025, 027, 028, and 032

2-1-058: 001, 002, 003, 004, 006, 008, 017, 018, 021, 026, 032, 033, 034, 035, 038 and Lana Lane between Auahi Street and Ala Moana Boulevard

2-1-058: 002, 003, 004, 007, 008, and Oha Lane between Auahi Street and Ala Moana Boulevard

Request:

To amend the Master Plan permit issued by the HCDA on September 2, 2009

Request Date: February 10, 2012

KS is requesting an amendment to its September 2, 2009 Master Plan permit to allow the satisfaction of its reserved housing requirements through the condominium conversion and sale of reserved housing units in a project known as Pagoda Terrace, which is located outside the boundaries of the Kakaia Community Development District.

A copy of KS' request for an amendment to its Master Plan permit is available for inspection during regular business hours at the office of the HCDA, 481 Cooke Street, Honolulu, Hawaii 96813, or will be mailed to anyone who requests a copy after payment has been made for copying and postage costs. To request a copy or submit written comments or testimony for the August 8, 2012 public hearing, please contact the office of the HCDA on or before the date of the public hearing. To present oral testimony, sign up at the time of the public hearing. Speakers are requested to submit 30 copies of their statements. For questions or concerns, please call the office of the HCDA at 594-0300.

Individuals who need auxiliary aids for effective communications are invited to contact the HCDA's Americans with Disabilities Act ("ADA") Compliance Coordinator at 594-0306, or by facsimile at 594-0306, at least five working days prior to the date required.

HAWAII COMMUNITY DEVELOPMENT AUTHORITY
Frank L. Dwight, IV, Chairperson

(54330962, 1/7/12)

AFFIDAVIT OF PUBLICATION

State of Hawaii)
) SS:
County of Hawaii)

M. R. Chavez, being first duly sworn, deposes and says:

1. That she is the Classified Accountant of WEST HAWAII TODAY, a newspaper published in the City of Kailua Kona, State of Hawaii.

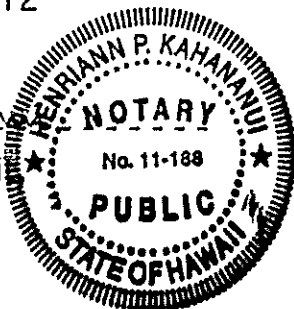
2. That "NOTICE OF CONTESTED CASE HEARING NOTICE IS HEREBY GIVEN of the continued contested case hearing and decision making" of which a clipping from the newspaper is attached hereto, was published in said newspaper on the following date(s) July 8, 2012 (etc.)

M. R. Chavez

Subscribed and sworn to before me
This 10th day of July, 2012

Henriann P. Kahananui

Notary Public, Third Circuit
State of Hawaii



Henriann P. Kahananui

My Commission expires: June 6, 2015
Page(s): 1

NOTICE OF CONTESTED CASE HEARING

NOTICE IS HEREBY GIVEN of the continued contested case hearing and decision making to be held by the Hawaii Community Development Authority ("HCDA") on Kamehameha Schools' ("KS") request for an amendment to its Master Plan permit which was issued on September 2, 2009 and is vested under the Mauka Area Rules that were in effect at the time the permit was approved and issued. This contested case hearing is held pursuant to §15-22-206 of the Mauka Area Rules which were in effect at the time the permit was issued, and pursuant to the provisions of §206E-5.6, Hawaii Revised Statutes ("HRS"), and Subchapter 3 of Title 15, Subtitle 4, Chapter 219, Hawaii Administrative Rules ("HAR").

The previously scheduled Wednesday, July 11, 2012 continuation of the contested case hearing and decision making is cancelled and will be deferred as noticed below:

DATE: August 8, 2012 (continuation of the contested case hearing and decision making)
 TIME: 9:00 a.m.
 PLACE: 461 Cooke Street, Makai Room
 Honolulu, Hawaii 96813

or as soon thereafter as those interested may be heard to consider the following amendment to the Kalauli 'O Kaka'ako Master Plan, Kaka'ako, Oahu:

Permit Number:

• PL MASP 13.2.8

Project Information:

Applicant:

TMKs:

Kamehameha Schools

2-1-030: 001 and Halekauwila Street, Lot A-1, between South and Kaawe Streets (2-1-030: 043)

2-1-053: 004, 005, 027 and Koula Street, Lot B, between Pohukaina and Auahi Streets (2-1-053: 032)

2-1-054: 001, 025, 027, 028, and 032

2-1-055: 001, 002, 003, 004, 006, 009, 017, 018, 021, 026, 032, 033, 034, 035, 038 and Lana Lane between Auahi Street and Ala Moana Boulevard

2-1-056: 002, 003, 004, 007, 008, and Ohe Lane between Auahi Street and Ala Moana Boulevard

Request:

To amend the Master Plan permit issued by the HCDA on September 2, 2009

Request Date:

February 10, 2012

KS is requesting an amendment to its September 2, 2009 Master Plan permit to allow the satisfaction of its reserved housing requirements through the condominium conversion and sale of reserved housing units in a project known as Pagoda Terrace, which is located outside the boundaries of the Kaka'ako Community Development District.

A copy of KS' request for an amendment to its Master Plan permit is available for inspection during regular business hours at the office of the HCDA, 461 Cooke Street, Honolulu, Hawaii 96813, or will be mailed to anyone who requests a copy after payment has been made for copying and postage costs. To request a copy or submit written comments or testimony for the August 8, 2012 public hearing, please contact the office of the HCDA on or before the date of the public hearing. To present oral testimony, sign up at the time of the public hearing. Speakers are requested to submit 30 copies of their statements. For questions or concerns, please call the office of the HCDA at 594-0300.

Individuals who need auxiliary aids for effective communications are invited to contact Stu Glauberman, HCDA's Americans with Disabilities Act ("ADA") Compliance Coordinator at 594-0300, or by facsimile at 594-0299, at least five working days prior to the date required.

HAWAII COMMUNITY DEVELOPMENT AUTHORITY

Joseph L. Dwight, IV, Chairperson

(No. 52043-West Hawaii Today, July 8, 2012)

AFFIDAVIT OF PUBLICATION

State of Hawaii)

) SS:

County of Hawaii)

LEILANI K. R. HIGAKI

_____, being first
duly sworn, deposes and says:

1. That she is the BUSINESS MANAGER of
HAWAII TRIBUNE-HERALD, a
newspaper published in the City of HILO,
State of Hawaii.

2. That the "NOTICE OF CONTESTED CASE HEARING...
August 8, 2012...etc.,

_____"
of which a clipping from the newspaper as published is attached hereto, was pub-
lished in said newspaper on the following date(s) _____
July 8, 2012, (etc.).

47195r1

Leilani K. R. Higaki

Subscribed and sworn to before me

this 12th day of July, 2012.

Sharon H. P. Ogata

SHARON H. P. OGATA

Notary Public, Third Circuit, State of Hawaii

My commission expires October 1, 2012

Page(s): 1

NOTICE OF CONTESTED CASE HEARING

NOTICE IS HEREBY GIVEN of the continued contested case hearing and decision making to be held by the Hawaii Community Development Authority ("HCDA") on Kamehameha Schools' ("KS") request for an amendment to its Master Plan permit which was issued on September 2, 2009 and is vested under the Mauka Area Rules that were in effect at the time the permit was approved and issued. This contested case hearing is held pursuant to §15-22-206 of the Mauka Area Rules which were in effect at the time the permit was issued, and pursuant to the provisions of §206E-5.6, Hawaii Revised Statutes ("HRS"), and Subchapter 3 of Title 15, Subtitle 4, Chapter 219, Hawaii Administrative Rules ("HAR").

The previously scheduled Wednesday, July 11, 2012 continuation of the contested case hearing and decision making is cancelled and will be deferred as noticed below:

DATE: August 8, 2012 (continuation of the contested case hearing and decision making)

TIME: 9:00 a.m.

PLACE: 461 Cooke Street, Makai Room
Honolulu, Hawaii 96813

or as soon thereafter as those interested may be heard to consider the following amendment to the Kalaulu O Kaka'ako Master Plan, Kaka'ako, Oahu:

Permit Number:

PL MASP 13-28

Applicants:

TMKs:

Project Information:

Kamehameha Schools

2-1-030: 001 and Halekauwila Street, Lot A-1, between South and Keawe Streets (2-1-030: 043)

2-1-053: 004, 005, 027 and Koula Street, Lot B, between Pohukaina and Auahi Streets (2-1-053: 032)

2-1-054: 001, 025, 027, 028, and 032

2-1-055: 001, 002, 003, 004, 006, 009, 017, 018, 021, 026, 032, 033, 034, 035, 038 and Lana Lane between Auahi Street and Ala Moana Boulevard

2-1-056: 002, 003, 004, 007, 008, and Ohe lane between Auahi Street and Ala Moana Boulevard

Request:

To amend the Master Plan permit issued by the HCDA on September 2, 2009

Request Dates:

February 10, 2012

KS is requesting an amendment to its September 2, 2009 Master Plan permit to allow the satisfaction of its reserved housing requirements through the condominium conversion and sale of reserved housing units in a project known as Pagoda Terrace, which is located outside the boundaries of the Kaka'ako Community Development District.

A copy of KS' request for an amendment to its Master Plan permit is available for inspection during regular business hours at the office of the HCDA, 461 Cooke Street, Honolulu, Hawaii 96813, or will be mailed to anyone who requests a copy after payment has been made for copying and postage costs. To request a copy or submit written comments or testimony for the August 8, 2012 public hearing, please contact the office of the HCDA on or before the date of the public hearing. To present oral testimony, sign up at the time of the public hearing. Speakers are requested to submit 30 copies of their statements. For questions or concerns, please call the office of the HCDA at 594-0300.

Individuals who need auxiliary aids for effective communications are invited to contact Stu Glauber, HCDA's Americans with Disabilities Act ("ADA") Compliance Coordinator at 594-0300, or by facsimile at 594-0299, at least five working days prior to the date required.

HAWAII COMMUNITY DEVELOPMENT AUTHORITY

Joseph L. Dwight, IV, Chairperson

(47195) Hawaii Tribune Herald, July 8, 2012

AFFIDAVIT OF PUBLICATION

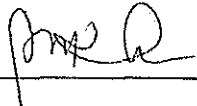
STATE OF HAWAII, } ss.
County of Maui.

Rhonda M. Kurohara being duly sworn
deposes and says, that she is in Advertising Sales of
the Maui Publishing Co., Ltd., publishers of THE MAUI NEWS, a
newspaper published in Wailuku, County of Maui, State of Hawaii;
that the ordered publication as to _____

NOTICE OF CONTESTED CASE HEARING

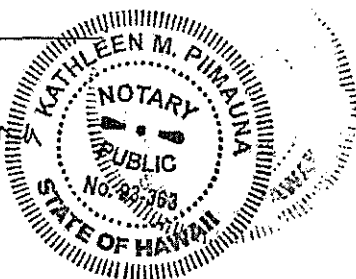
of which the annexed is a true and correct printed notice, was
published 1 times in THE MAUI NEWS, aforesaid, commencing
on the 8th day of July, 2012, and ending
on the 8th day of July, 2012, (both days
inclusive), to-wit: on July 8, 2012

and that affiant is not a party to or in any way interested in the above
entitled matter.


This 1 page Notice of Contested Case Hearing, dated
July 8, 2012,
was subscribed and sworn to before me this 9th day of
July, 2012, in the Second Circuit of the State of Hawaii,
by Rhonda M. Kurohara

Kathleen M. Pimauna
Notary Public, Second Judicial
Circuit, State of Hawaii

KATHLEEN M. PHMAUNA
My commission expires 7/5/13



HCDA Exhibit #2

NOTICE OF CONTESTED CASE HEARING

NOTICE IS HEREBY GIVEN of the continued contested case hearing and decision making to be held by the Hawaii Community Development Authority ("HCDA") on Kamehameha Schools' ("KS") request for an amendment to its Master Plan permit which was issued on September 2, 2009 and is vested under the Mauka Area Rules that were in effect at the time the permit was approved and issued. This contested case hearing is held pursuant to §15-22-206 of the Mauka Area Rules which were in effect at the time the permit was issued, and pursuant to the provisions of §206H-5.6, Hawaii Revised Statutes ("HRS"); and Subchapter 3 of Title 15, Subtitle 4, Chapter 219, Hawaii Administrative Rules ("HAR").

The previously scheduled Wednesday, July 11, 2012 continuation of the contested case hearing and decision making is cancelled and will be deferred as noticed below:

DATE: August 8, 2012 (continuation of the contested case hearing and decision making)

TIME: 9:00 a.m.

PLACE: 461 Cooke Street, Makai Room
Honolulu, Hawaii 96813

or as soon thereafter as those interested may be heard to consider the following amendment to the Kaka'ako O Kaka'ako Master Plan, Kaka'ako, Oahu:

Permit Number:	Project Information:
PL MASP 13.2.8	Applicant: Kamehameha Schools
	TMKA: 2-1-030: 001
	and Halekiauwiia Street,
	Lot A-1, between South and
	Kenne Streets (2-1-030: 043)
	2-1-053: 004, 005, 027 and
	Koula Street, Lot B, between
	Pohukaina and Auahi Streets
	(2-1-053: 032)
	2-1-054: 001, 025, 027, 028,
	and 032
	2-1-055: 001, 002, 003, 004, 006,
	009, 017, 018, 021, 026, 032, 033,
	034, 035, 038 and Lana Lane
	between Auahi Street and
	Ala Moana Boulevard
	2-1-056: 002, 003, 004, 007, 008,
	and Ohe Lane between Auahi Street
	and Ala Moana Boulevard
Request:	To amend the Master Plan permit
	issued by the HCDA on
	September 2, 2009
Request Date:	February 10, 2012

KS is requesting an amendment to its September 2, 2009 Master Plan permit to allow the satisfaction of its reserved housing requirements through the condominium conversion and sale of reserved housing units in a project known as Pagoda Terrace, which is located outside the boundaries of the Kaka'ako Community Development District.

A copy of KS' request for an amendment to its Master Plan permit is available for inspection during regular business hours at the office of the HCDA, 461 Cooke Street, Honolulu, Hawaii 96813, or will be mailed to anyone who requests a copy after payment has been made for copying and postage costs. To request a copy or submit written comments or testimony for the August 8, 2012 public hearing, please contact the office of the HCDA on or before the date of the public hearing. To present oral testimony, sign up at the time of the public hearing. Speakers are requested to submit 30 copies of their statements. For questions or concerns, please call the office of the HCDA at 594-0300.

Individuals who need auxiliary aids for effective communications are invited to contact Stu Glauberman, HCDA's Americans with Disabilities Act ("ADA") Compliance Coordinator at 594-0300, or by facsimile at 594-0299, at least five working days prior to the date required.

HAWAII COMMUNITY DEVELOPMENT AUTHORITY
Joseph L. Dwight, IV, Chairperson

(MN: July 8, 2012)

STATE OF HAWAII
COUNTY OF KAUAI
AFFIDAVIT OF PUBLICATION

THE GARDEN ISLAND

ANNE HIE KAWASAKI
HAWAII COMMUNITY DEV. AUTHORIT
461 COOKE STREET
HONOLULU HI 96813

REFERENCE: 104706
746023 KAMEHAMEHA SCHOOLS

Sherri Cole, being duly sworn, deposes and says, that she is an employee of "The Garden Island," a newspaper published in Lihue, County of Kauai, State of Hawaii; that the NOTICE in the above entitled matter of which the annexed is a true and correct copy, was published 1 time(s) in "The Garden Island" aforesaid and that this affiant is not a party to or in any way interested in the above entitled matter.

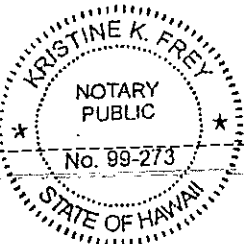
Subscribed and sworn to me this 11th day of July, 2012.

Kristine K. Frey
Notary Public, Fifth Judicial Circuit
State of Hawaii
My Commission Expires: 5/26/15

Document Description: Affidavit of Publication
No. of pages: 1 Document Date: 7/11/12

PUBLISHED ON: 07/08/2012

FILED ON: 07/08/12 SL



NOTICE IS HEREBY GIVEN of the continued contested case hearing and decision making to be held by the Hawaii Community Development Authority ("HCDA") for Kamehameha Schools ("KS") request for an amendment to its Master Plan permit which was issued on September 2, 2009 and is vested under the Maui Area Rules that were in effect at the time the permit was approved and issued. This contested case hearing is held pursuant to §15-22-206 of the Maui Area Rules which were in effect at the time the permit was issued, and pursuant to the provisions of §206H-5.6, Hawaii Revised Statutes ("HRS") and Subchapter 8 of TITLE 15, Subtitle 4, Chapter 215, Hawaii Administrative Rules ("HAR").

The previously scheduled Wednesday, July 11, 2012 continuation of the contested case hearing and decision making is cancelled and will be deferred as noticed below.

DATE: August 8, 2012 (continuation of the contested case hearing and decision making)

TIME: 9:00 a.m.

PLACE: 461 Cooke Street, Makai Room
Honolulu, Hawaii 96813

or as soon thereafter as those interested may be heard to consider the following amendment to the Kakaako O'Kaka and Master Plan, Kakaako, Oahu:

Permit Number	Project Information
PL MASP 18 16	Applicant: Kamehameha Schools
	TMKA: 2-1-080, 001 and
	Halekauwila Street, Lot
	A-1, between South and
	Keawe Streets
	(2-1-080, 048)
	2-1-080, 004, 008, 057
	and Koula Street, Lot B
	between Puhukaina and
	Anahulu Streets (2-1-080,
	082)
	2-1-084, 001, 025, 027,
	028, and 082
	2-1-088, 001, 002, 003,
	004, 006, 008, 017, 018,
021, 026, 032, 038, 084,	085, 088 and Lana Lane
	between Anahulu Street and
	Alii Moana Boulevard
	2-1-088, 002, 008, 004,
	007, 009, and Ohe Lane
	between Anahulu Street and
	Alii Moana Boulevard

Request: To amend the Master Plan permit issued by the HCDA on September 2, 2009.

Request Date: February 10, 2012

KS is requesting an amendment to its September 2, 2009 Master Plan permit to allow the satisfaction of its reserved housing requirements through the condominium conversion and sale of reserved housing units in a project known as Pagoda Terrace, which is located outside the boundaries of the Kakaako Community Development District.

A copy of KS request for an amendment to its Master Plan permit is available for inspection during regular business hours at the office of the HCDA, 461 Cooke Street, Honolulu, Hawaii 96813, or will be mailed to anyone who requests a copy after payment has been made for copying and postage costs. To request a copy or submit written comments or testimony for the August 8, 2012 public hearing, please contact the office of the HCDA on or before the date of the public hearing. To present oral testimony, sign up at the time of the public hearing. Speakers are requested to submit 50 copies of their statements. For questions or concerns, please call the office of the HCDA at 594-0300.

Individuals who need auxiliary aids for effective communications are invited to contact Shy Glickerman, HCDA's Americans with Disabilities Act ("ADA") Compliance Coordinator at 594-0300 or by facsimile at 594-0299, at least five working days prior to the date required.

HAWAII COMMUNITY DEVELOPMENT AUTHORITY
Joseph L. Dwight IV, Chairman