



July 9, 2020

FOR ACTION

I. REQUEST

Approve a Request to: (1) Reprice Thirty-Two Units from Market to Affordable; (2) Modify the Unit Mix; (3) Modify the Project Budget and Schedule; (4) Add an Additional Floor to the Parking Structure Containing 56 Parking Stalls; and (5) Modify the Previously Granted Exemptions from Statutes, Ordinances, and Rules Pursuant to Section 201H-38, Hawaii Revised Statutes, Including Increased Height of the Parking Structure and Waiving Water and Wastewater System Facilities Charges as to the Affordable Units for the Ililani Project Located in Kakaako, Oahu, TMK Nos.: (1) 2-1-051:011 and 012

II. FACTS

| | | | | | | | | | | | | | | | | | | | |
|-----------------------------|---|------------------------|----------|--|----|----|---------------------|----|----|----------------------|----|----|----------------------|----|----|----------------------|-----|-----|------------------------|
| Project: | Ililani | | | | | | | | | | | | | | | | | | |
| Location: | 615 Keawe Street and 690 Halekauwila Street, Honolulu, Hawaii 96813. TMK No.: (1) 2-1-051: 011 and 012 | | | | | | | | | | | | | | | | | | |
| Land Owner: | Fee owned by Ililani, LLC (purchased May 16, 2019) | | | | | | | | | | | | | | | | | | |
| HHFDC Involvement: | 201H Exemptions | | | | | | | | | | | | | | | | | | |
| Type: | Family For-Sale Project | | | | | | | | | | | | | | | | | | |
| No. of Units: | 131 1-Bedroom Units (585 avg. sq. ft.) 197 2-Bedroom Units (847 avg. sq. ft.) 328 Units Total | | | | | | | | | | | | | | | | | | |
| Parking: | 466 parking stalls (443 residential, 20 commercial, and 3 car share), of which 53 are tandem rear stalls. | | | | | | | | | | | | | | | | | | |
| Affordability Restrictions: | <table border="0"> <tr> <td>Current</td> <td>Proposed</td> <td></td> </tr> <tr> <td>33</td> <td>34</td> <td>Units up to 80% AMI</td> </tr> <tr> <td>33</td> <td>33</td> <td>Units up to 100% AMI</td> </tr> <tr> <td>50</td> <td>92</td> <td>Units up to 120% AMI</td> </tr> <tr> <td>49</td> <td>38</td> <td>Units up to 140% AMI</td> </tr> <tr> <td>165</td> <td>197</td> <td>Total Affordable Units</td> </tr> </table> | Current | Proposed | | 33 | 34 | Units up to 80% AMI | 33 | 33 | Units up to 100% AMI | 50 | 92 | Units up to 120% AMI | 49 | 38 | Units up to 140% AMI | 165 | 197 | Total Affordable Units |
| Current | Proposed | | | | | | | | | | | | | | | | | | |
| 33 | 34 | Units up to 80% AMI | | | | | | | | | | | | | | | | | |
| 33 | 33 | Units up to 100% AMI | | | | | | | | | | | | | | | | | |
| 50 | 92 | Units up to 120% AMI | | | | | | | | | | | | | | | | | |
| 49 | 38 | Units up to 140% AMI | | | | | | | | | | | | | | | | | |
| 165 | 197 | Total Affordable Units | | | | | | | | | | | | | | | | | |
| Developer: | Ililani, LLC | | | | | | | | | | | | | | | | | | |
| Developer Contact: | <p>Kenneth Kai Chang, Manager Hui O Ka La LLC (Managing Member) 1860 Ala Moana Blvd., #1000 Honolulu, HI 96815 (818) 642-8850 kennethkaichang@yahoo.com;</p> <p>Henry Chang, Project Manager Changh11@yahoo.com (808) 277-1412</p> | | | | | | | | | | | | | | | | | | |

Proposed Revised AMI, unit count, unit type, and price range:

| AMI | Units (All) | 1-Bedroom Units | | | 2-Bedroom Units | | |
|-----------|-------------|-----------------|---|---------|-----------------|---|---------|
| | | 1B Units | 1B Sales Price | 1B SF | 2B Units | 2B Sales Price | 2B SF |
| Below 80% | 34 | 33 | \$312,600 - \$333,600 Avg. \$325,539 | 500-566 | 1 | \$372,500 Avg. \$372,500 | 763 |
| 80%-100% | 33 | 26 | \$389,000 - \$417,000 Avg. \$401,462 | 514-566 | 7 | \$421,800 - \$469,300 Avg. \$445,729 | 762-763 |
| 100%-120% | 92 | 71 | \$459,400 - \$521,000 Avg. \$479,369 | 514-565 | 21 | \$557,200 - \$587,100 Avg. \$569,010 | 752-778 |
| 120%-140% | 38 | 2 | \$530,000 - \$545,000 Avg. \$537,500 | 514-565 | 36 | \$589,000 - \$657,100 Avg. \$615,969 | 752-778 |

| Totals | Units (All) | 1-Bedroom Units | | | 2-Bedroom Units | | |
|------------------|-------------|-----------------|-----------------------|----------------------------|-----------------|-----------------------|---------|
| | | 1B Units | 1B Sales Price | 1B SF | 2B Units | 2B Sales Price | 2B SF |
| Total Affordable | 197 | 132 | \$312,600 - \$545,000 | 500-566 | 65 | \$372,500 - \$657,100 | 752-778 |
| Total Market | 131 | 0 | Market pricing | N/A | 131 | Market pricing | 785-826 |
| Total Units | 328 | 132 | See above | 500-566 (1 unit at 573) | 196 | See above | 752-826 |

- A. On February 14, 2019, the HHFDC Board of Directors approved: (1) the Certification of Ililani, LLC as an Eligible Developer; (2) the Project Proposal Including Exemptions from Statutes, Ordinances, and Rules Pursuant to Section 201H-38, HRS; and (3) Execution of Development Documents for Approved Exemptions for the Project. The approved For Action is attached as Exhibit A.
- B. On April 17, 2019, the Honolulu City Council adopted Resolution 19-61 authorizing exemptions from certain development requirements for the Project pursuant to Chapter 201H, HRS, including certain exemptions from Hawaii Community Development Authority (HCDA) Mauka Area Rules. Resolution 19-61 is attached as Exhibit B.
- C. On June 21, 2019, HHFDC executed a Development Agreement with the Developer, and the Developer recorded a Declaration of Land Use Restrictive Covenants.
- D. The initial offering period for units occurred in July and August 2019. The Declaration of Condominium Property Regime for the Project was recorded with the Land Court on January 23, 2020, and the Condominium Public Report was published with an effective date of February 26, 2020. The Developer began signing buyers in February 2020.
- E. On April 9, 2020, HHFDC approved a 5-month extension of the Commencement Deadline and the Completion Deadline, bringing them to November 1, 2020 and September 30, 2022, respectively. The updated Project schedule is included below.
- F. The Developer is currently in the process of obtaining permits and selling units and to date has signed contracts for 101 out of 328 units, of which 95 are for affordable units and 6 are for market units.

III. DISCUSSION

- A. By letter dated May 26, 2020 (Attached as Exhibit C), Dentons US LLP, on behalf of Developer, requested to make the following changes to the Project:
1. Convert 32 of the market units to be affordable units, bringing the total percentage of affordable units to 60%.
 2. Modify the unit pricing as indicated in the table in Section II above. ,
 3. Modification to the design of the parking structure by adding an additional floor to the structure which contains 56 parking stalls, increasing the number of total parking stalls to 466 and raising the height of the structure. Revised drawings are attached as Exhibit D.
 4. Modification of the 201H exemptions granted for the Project, specifically:
 - a. Exemption from, rather than deferral of, wastewater system facility charges as to the affordable units, by way of exempting the definitions of “low-income” and “low-income housing project” under ROH Section 14-10.6(d)(1) and 14-10.6(d)(2), respectively, to allow all Project affordable units to qualify for a reduction of wastewater system facility charges pursuant to ROH Chapter 14, Appendix 14-D(2). The amount of the reduction in wastewater system facility charges is estimated at \$911,420; and
 - b. Exemption from, rather than deferral of, water system facility charges as to the affordable units, by way of an exemption from Section 1-202, 2-202(2), and 2-202(3), of the BWS Rules and Regulations, to allow the BWS to waive payment of water system facility fees attributable to the affordable dwelling units. The BWS shall determine the amount of the exemption during the building permit review process; and
 - c. Exemption from HCDA Mauka Area Rules regarding the maximum height of the parking structure.
 5. Modifications to the Project budget and Project schedule as stated below.
- B. The Developer believes that the requested changes are necessary in order to make the project feasible, as the project would be eligible for additional cost-saving exemptions.
- C. Shortly after signing of sales contracts began, the COVID-19 pandemic started and, as per the Developer, prospective buyers have been reluctant to make a commitment due to economic anxiety caused by the pandemic. However, the Developer believes that there is still a strong interest among potential buyers for affordable units. Therefore, the Developer plans to convert 32 market units to affordable units. Though increasing the affordable units will reduce sales revenue, it will increase the buyer pool by reaching down to lower income households. This will also reduce initial buyer deposits available for construction so the Developer plans on offsetting this reduction by increasing owner’s equity.
- D. The Developer has also seen market buyers to be reluctant to purchase 2-bedroom units without 2 parking stalls. Additionally, the Project previously relied on a car-sharing program, which the Developer believes will be less attractive in the times ahead in the wake of the COVID-19 pandemic. The Developer plans to increase parking by adding 56 parking stalls which will require building an additional floor

of parking. This will require an exemption from HCDA Mauka Area Rules regarding the maximum height of the parking structure, although the Project will no longer require the previously granted exemption from the HCDA Mauka Area Rules regarding the minimum number of parking stalls.

- E. In order to offset the sales revenue reduction and increase to the construction expense, the Developer is requesting that the previously granted deferrals of the water and wastewater system facility charges be changed to exemptions in the case of the affordable units. Additionally, the Developer has indicated that it intends to submit for General Excise Tax (GET) exemption for the construction costs of the Project.
- F. The revised costs and expenses are within the Developer's senior lender's allowable loan-to-cost ratio.
- G. The requested changes, if approved by HHFDC, will require subsequent approval by the Honolulu City Council. The Developer has sent letters requesting comment on the proposed modifications to the 201H Exemptions to the Honolulu Board of Water Supply, the City Department of Environmental Services, the City Department of Planning and Permitting, and HCDA. The City Department of Environmental Services' response letter is attached as Exhibit E.
- H. The revised estimated total project budget is approximately \$175,781,030 as follows:

| Budget/Cost Item | Interim | % | \$ Per Sq. Ft. |
|---|----------------------|------------|-----------------------|
| Land w/Extension Fees and Preconstruction | \$ 9,064,726 | 5.2 | 30.5 |
| Construction | 123,419,341 | 70.1 | 415.8 |
| Soft Costs | 19,456,451 | 11.1 | 65.6 |
| Financing Costs | 7,918,655 | 4.5 | 26.7 |
| Developer Fee | 4,600,000 | 2.6 | 15.5 |
| Contingency | 6,121,599 | 3.5 | 20.6 |
| Total | \$175,781,030 | 100 | 592.2 |

- I. The revised estimated Project schedule is as follows:

| | Revised: |
|--------------------------------------|-----------------|
| HHFDC Approval of 201H Exemptions: | July 2020 |
| Council Approval of 201H Exemptions: | August 2020 |
| Projected Building Permit Date: | August 2020 |
| Closing of Construction Financing: | October 2020 |
| Construction Start: | January 2021 |
| Construction Completion: | December 2022 |

- J. No other changes are requested to the Developer's 201H application, project proposal, or exemptions. The Project's proposal continues to meet the requirements approved under Chapter 201H, HRS, and the Hawaii Administrative Rules.
- K. Upon approval by the Board, the Chapter 201H, HRS, amended exemption request and draft resolution will be submitted to the Honolulu City Council for review and approval. The Council has 45 days from receipt of the 201H exemption request to approve, approve with modifications, or disapprove the resolution.

IV. RECOMMENDATION

That the HHFDC Board of Directors approve the following for the Ililani affordable multi-family for-sale housing project located at 615 Keawe Street and 690 Halekauwila Street in Kakaako, Oahu, Hawaii, on TMK (1) 2-1-051: 011 and 012, substantially as discussed in this For Action:

- A. Approve the Developer’s request to increase the affordability restriction from 165 to 197 units; modify unit pricing; develop one additional floor of the parking structure; exempt the project from water system facility charges and wastewater system facility charges as to the affordable units, and HCDA Mauka Area Rules relating to height of the parking structure; and modify the Project’s budget and schedule; and
- B. Authorize the Executive Director to take all actions necessary to effectuate the purposes of this For Action.

Subject to the following:

- A. The amended exemptions do not substantially deviate from this For Action (the Honolulu City Council may make modifications to the amended exemptions);
- B. Commencement of construction of the Project by January 1, 2021 and completion of construction by December 1, 2022, unless otherwise extended at the sole discretion of the Executive Director; and
- C. Other terms and conditions as may be required by: 1) statutes; 2) administrative rules; and 3) the Office of the Executive Director.

Attachments: Exhibit A – Approved For Action Dated February 14, 2019
Exhibit B – Resolution 19-61
Exhibit C – Developer’s Letter Dated May 26, 2020
Exhibit D – Revised Drawings and Outline Specifications
Exhibit E – Letter from City and County Department of Environmental Services Dated June 10, 2020

Prepared by: Albert Palmer, Project Coordinator

AP

Reviewed by: Dean Minakami, Development Section Chief

M

Deepak Neupane, Development Branch Chief

DN

FOR ACTION

I. REQUEST:

Approve: (1) the Certification of Ililani, LLC or Other Successor Entity Approved by the Executive Director, as an Eligible Developer Pursuant to Section 15-307-24, Hawaii Administrative Rules; (2) the Project Proposal Including Exemptions from Statutes, Ordinances and Rules Pursuant to Section 201H-38, Hawaii Revised Statutes; and (3) Execution of Development Documents for Approved Exemptions for the Ililani Project Located in Kakaako, Oahu, TMK Nos.: (1) 2-1-051:011 and 012

II. FACTS

| | |
|-----------------------------|--|
| Project: | Ililani |
| Applicant: | Ililani, LLC |
| Location: | 615 Keawe Street and 690 Halekauwila Street, Honolulu, Hawaii 96813 |
| TMK: | (1) 2-1-051:011 and 012 |
| Land Area: | 33,736 sq. ft. or 0.77 acre |
| Land Tenure: | Fee Ownership |
| Fee Owner: | KAM Development LLC |
| Option Agreement: | Ililani, LLC has an Option to purchase the fee simple property (Option Agreement Extension expires on February 28, 2019) |
| Zoning: | Kakaako Community Development District - Mauka Area |
| HHFDC Involvement: | 201H Exemptions |
| Type: | Family For Sale Project |
| No. of Units: | 131 1-Bedroom Units (585 avg. sq. ft.) <u>197</u> 2-Bedroom Units (846 avg. sq. ft.) 328 Units Total |
| | One 42-story (41-stories of residential units with retail space on the ground floor) concrete and glass residential tower with two passenger elevators, one utility elevator, two stairwells, and an 8-story concrete parking structure with approximately 16,748 sq. ft. of recreation space comprised of approximately 3,367 sq. ft. of internal recreation room space, with an approximately 13,381 sq. ft. recreational deck on the 9 th floor (on parking garage roof) fronting Halekauwila Street. There will be approximately 6,297 sq. ft. of ground level street front commercial space. 395 parking stalls (372 residential stalls, 20 commercial stalls, and 3 car share stalls) will be provided, of which 38 are tandem rear stalls. |
| Affordability Restrictions: | 33 Units @ 80% AMI 33 Units @ 100% AMI 50 Units @ 120% AMI <u>49</u> Units @ 140% AMI 165 Total Affordable Units |

Proposed AMI, unit count, unit type, and price range:

| AMI | Units | Unit Type | Units | Sales Price* | SF | Unit Type | Units | Sales Price* | SF |
|------------------|--------------|------------------|--------------|--|-----------|------------------|--------------|--|-----------|
| 80% and below | 33 | 1BR | 32 | \$322,100 | 500-573 | 2BR | 1 | \$362,500 | 763 |
| 80%-100% | 33 | 1BR | 26 | \$402,600 | 514-566 | 2BR | 7 | \$453,100 | 762-763 |
| 100%-120% | 50 | 1BR | 41 | \$483,100 | 514-565 | 2BR | 9 | \$543,700 | 752-778 |
| 120%-140% | 49 | 1BR | 32 | \$563,600 | 514-565 | 2BR | 17 | \$634,300 | 752-778 |
| | | | | | | | | | |
| Totals | Units | Unit Type | Units | Sales Price* | SF | Unit Type | Units | Sales Price* | SF |
| Total Affordable | 165 | 1BR | 131 | \$322,100-\$563,600 | 500-573 | 2BR | 34 | \$362,500-\$634,300 | 752-778 |
| Total Market | 163 | 1BR | 0 | N/A | N/A | 2BR | 163 | Market pricing | 762-811 |
| Total Units | 328 | 1BR | 131 | See above | 500-573 | 2BR | 197 | See above | 752-811 |
| | | | | *2018 HHFDC Honolulu County Affordable Sales Price Guidelines. | | | | *2018 HHFDC Honolulu County Affordable Sales Price Guidelines. | |

Developer: Ililani, LLC
 Developer Contact: Kenneth Kai Chang, Manager
 Hui O Ka La LLC (Managing Member)
 1860 Ala Moana Blvd. #1000
 Honolulu, HI 96815
 (818) 642-8850
kennethkaichang@yahoo.com;

Henry Chang, Project Manager
Changh11@yahoo.com
 808-277-1412

- A. Ililani is a proposed 42-story, approximately 367 feet in height concrete and glass residential tower with approximately 6,297 sq. ft. of ground level street front commercial space, a lobby, approximately 3,367 sq. ft. of internal recreation room space, and a separate 8-story concrete parking structure with an approximately 13,381 sq. ft. recreational deck on the roof of the parking garage (9th floor) fronting Halekauwila Street (“Project”). The Project consists of 328 units (50% plus 1 or 165 units, will be priced to comply with HHFDC affordable sales price guidelines and the remaining 163 units will be priced at market sales prices). Each unit will have a lanai ranging in size from approximately 25-78 sq. ft. The Project will provide bike parking and 395 managed parking stalls of which 38 are tandem rear stalls on approximately 33,736 square feet of land located at 615 Keawe Street and 690 Halekauwila Street, Kakaako, Oahu, Hawaii, TMK (1) 2-1-051:011 and 012, as shown on the attached Exhibit A (“Property”).

The affordable target market for the Project is 33 units at 80% and below the U.S. Department of Housing and Urban Development Area Median Income (“AMI”),

33 units between 80% and 100% the AMI, 50 units between 100% and 120% the AMI, and 49 units between 120% and 140% the AMI. Building plans, elevations and outline specifications are shown on the attached Exhibit B.

- B. The Property is located in the Kakaako Community Development District and is subject to the Hawaii Community Development Authority (“HCDA”) Mauka Area Rules.
- C. Ililani, LLC (“Developer”) is a single-asset, real estate holding company, specifically established to develop, own, and operate the Project. The Managing Member of the Developer is Hui O Ka La LLC which also owns a 25% membership interest in the Developer. Kenneth Kai Chang owns a 100% membership interest in the Managing Member. Ililani Capital, LLC owns a 75% membership interest in the Developer. Exhibit C shows the organizational structure of the Developer.

Kenneth Kai Chang is the founder and owner of Kai Associates, Inc., a thirty-five year old real estate development firm in Southern California, developing property for its own account and for the account of affiliated Asian investment groups. The firm specializes in the development of master-planned communities, including vertical construction of estates, multifamily housing, and hotels. Mr. Chang has developed over 400 for-sale market-rate single-family and/or condominium housing units as a project partner or project manager in California, Hawaii, and Iran. Currently Mr. Chang has over 100 single-family market-rate for-sale units under development at two projects in Hidden Hills and Temecula, California and 230 condominium market-rate for-sale units under development in Deer Valley, Utah. Mr. Chang also served as a project manager on various hotel developments around the world and as project manager for airport construction projects at the Honolulu International and Kahului airports. The proposed Ililani Project is Mr. Chang’s first development in Hawaii and Mr. Chang’s first affordable housing project. However, Mr. Chang served as project manager for the 22-story 43-unit Punahou Regency condominium project in Honolulu. Exhibit D shows the Developer’s development experience.

- D. The Property improvements consist of a one-story structure (a small portion which is two-stories) that covers both Keawe Street and Halekauwila Street parcels and a paved loading dock and parking areas fronting Halekauwila Street. The Property is currently vacant and was last utilized as a food pantry that was occupied by Feeding Hawaii Together on the Keawe Street parcel and as a produce facility occupied by Wong’s Produce on the Halekauwila Street parcel. A Phase I Environmental Site Assessment (ESA) prepared by Masa Fujioka & Associates, dated October 2016, did not identify any Recognized Environmental Conditions (REC), Historical Recognized Environmental Conditions (HRECS), or Controlled Recognized Environmental Conditions (CRECS) associated with the subject Property.

Subsequent to the Phase I Environmental Site Assessment, two underground storage tanks were discovered by project archeologists. An environmental consultant (Masa Fujioka & Associates) was contracted by the applicant and instructed to remove the subject tanks to allow the archeologists to continue their work. No holes or leaks were found in the tanks. However, the presence of lead was found in the soils in the vicinity of the tanks during standard required soil testing. These findings were documented in a January 15, 2018 UST closure report. Pursuant to the findings of this UST closure report, Masa Fujioka and Associates was tasked with the preparation of an Environmental Hazard

Evaluation and Environmental Hazard Management Plan (“EHE/EHMP”), dated July 10, 2018.

Upon the identification of lead in on-site soils, a release was reported to the Department of Health (“DOH”) Soil and Hazardous Waste Branch (“SHWB”) and assigned the Facility ID 9-103972 and Release ID 180013. Based on the results of the soil sampling, SHWB requested that groundwater sampling and analysis occur in compliance with HAR Title 11, Chapter-281, Subchapter 7 (Release Response Action). An EHE/EHMP was submitted to and approved by the DOH SHWB for the proposed project. The EHMP is site-specific and addresses the lead contamination hazard during future demolition and construction activities. The EHE addresses health impacts to humans and the hazards to the environment. The EHE/EHMP specifically addresses potential lead contamination, along with hazards and precautions across the subject site and adjacent properties associated with the development of the proposed project.

In a letter dated August 31, 2018, the DOH concurred with the findings of the subject EHE/EHMP that leaching, direct exposure, and sub-slab soil vapor are not potential hazards at the project site due to the lack of petroleum hydrocarbons in soil and groundwater and the absence of dissolved lead in groundwater samples from nearby monitoring wells. Soil samples indicated lead contamination. This is a direct exposure hazard if soil is excavated and exposed. The EHMP will be implemented in the event of soil excavation at the site. Worker safety and precautions are recommended by DOH for the areas of known lead concentrations in the subsurface soils. On August 31, 2018, the DOH issued a “No Further Work” determination for the 2,500-gallon and 550-gallon UST system removals.

- E. The Developer made a presentation of the Project to the Ala Moana-Kakaako Neighborhood Board No. 11 on January 23, 2018, at which no action was taken by the Neighborhood Board.
- F. On February 26, 2018, Developer submitted a request to HHFDC for approvals from certain exemptions from statutes, ordinances, and rules for the Project pursuant to Section 201H-38, HRS (Application). A final application was received on January 22, 2019.
- G. A Finding of No Significant Impact (FONSI) for the Project was published by the Office of Environmental Quality Control in the December 8, 2018 edition of “The Environmental Notice”.

III. DISCUSSION

- A. The proposed estimated total Project budget is approximately \$149,250,000 as follows:

| Budget/Cost Item | Interim | % | \$ Per Sq. Ft. |
|---|---------------|------|----------------|
| Land w/Extension Fees and Preconstruction | \$8,819,000 | 5.9 | 29.7 |
| Construction | \$104,872,329 | 70.3 | 353.3 |
| Soft Costs | \$16,986,488 | 11.4 | 57.2 |
| Financing Costs | \$8,282,173 | 5.5 | 27.9 |
| Developer Fee | \$4,600,000 | 3.1 | 15.5 |
| Contingency | \$5,690,010 | 3.8 | 19.2 |
| Total | \$149,250,000 | 100 | 502.8 |

B. The proposed financing structure is as follows:

| Source | Interim | Permanent |
|------------------------------------|---------------|-------------|
| Sponsor Equity | \$ 22,250,000 | |
| Senior Debt- Financial Institution | 91,250,000 | |
| Mezzanine Debt | 21,000,000 | |
| Homebuyer Deposits | 11,000,000 | |
| Deferred Developer Fee | 3,750,000 | |
| Gross Sales Revenue | | 207,402,200 |
| Total | \$149,250,000 | |

C. The Project is under the zoning jurisdiction of HCDA; therefore, HHFDC did not require the applicant to obtain a letter from the City and County of Honolulu (City) denying the Project for processing under the City's zoning exemption process.

D. The exemption request was forwarded to the agencies, representatives and organizations listed on the attached Exhibit E for review and comment as a combined Draft Environmental Assessment/201H document. Review parties were given 30 days to provide comments.

E. Under Section 201H-38 HRS, Housing development; exemption from statutes, ordinances, charter provisions, and rules, the HHFDC may develop on behalf of the State or with an eligible developer, or may assist under a government assistance program in the development of, housing projects that shall be exempt from all statutes, ordinances, charter provisions, and rules of any government agency relating to planning, zoning, construction standards for subdivisions, development and improvement of land, and the construction of dwelling units thereon; provided that:

1. The corporation finds the housing project is consistent with the purpose and intent of this chapter, and meets minimum requirements of health and safety;
2. The development of the proposed housing project does not contravene any safety standards, tariffs, or rates and fees approved by the public utilities commission for public utilities or of the various boards of water supply authorized under chapter 54;
3. The legislative body of the county in which the housing project is to be situated shall have approved the project with or without modifications:
 - a. The legislative body shall approve, approve with modification, or disapprove the project by resolution within forty-five days after the corporation has submitted the preliminary plans and specifications for the project to the legislative body. If on the forty-sixth day a project is not disapproved, it shall be deemed approved by the legislative body;
 - b. No action shall be prosecuted or maintained against any county, its officials, or employees on account of actions taken by them in reviewing, approving, modifying, or disapproving the plans and specifications; and

- c. The final plans and specifications for the project shall be deemed approved by the legislative body if the final plans and specifications do not substantially deviate from the preliminary plans and specifications. The final plans and specifications for the project shall constitute the zoning, building, construction, and subdivision standards for that project.
- 4. The land use commission shall approve, approve with modification, or disapprove a boundary change within forty-five days after the corporation has submitted a petition to the commission as provided in section 205-4, HRS. If, on the forty-sixth day, the petition is not disapproved, it shall be deemed approved by the commission.

For the purposes of this section, “government assistance program” means a housing program qualified by the corporation and administered or operated by the corporation or the United States or any of their political subdivisions, agencies, or instrumentalities, corporate or otherwise.

- F. The Project is within the Mauka Area of the Kakaako Community Development District bounded by Piikoi Street, Ala Moana Boulevard, Punchbowl Street and King Street which was designated by the Hawaii Legislature in 1976 to be under the planning jurisdiction of the HCDA. See Chapter 206E, HRS.
- G. Certain development requirements applicable to projects within the Kakaako Community Development District are also under the jurisdiction of the City, e.g., subdivision approval and building permits.
- H. This For Action seeks HHFDC Board of Directors approval of exemptions from statutes, ordinances and rules pursuant to Section 201H-38, HRS, for the Project for the following:
 - 1. Exemption from the requirements of the HCDA as described on the attached Exhibit F; and
 - 2. Exemption from the requirements of the City as described on the attached Exhibit G.
- I. A summary of the exemptions and deferrals requested, applicable agency comments, Developer response and recommended action are listed in the attached Exhibits F and G. None of the exemptions recommended for approval affect health and safety, nor contravenes any safety standards, tariffs, or rates and fees approved by the public utilities commission. Agency comments and Developer responses specific to the requested exemptions are as follows:
 - 1. The City and County Department of Planning and Permitting (DPP), letter dated November 2, 2018 (Exhibit H);
 - 2. The Board of Water Supply (BWS), letters dated June 4, 2018, July 9, 2018, and emails dated October 15, 2018 (Exhibit I);
 - 3. HCDA letters dated June 14, 2018 and October 23, 2018 (Exhibit J); and
 - 4. The City and County of Honolulu Department of Environmental Services letter dated November 7, 2018 (Exhibit K).

J. A Declaration of Land Use Restrictive Covenants (“Restrictions”) as required by HHFDC shall be placed upon the fee simple interest of the Project to include: AMI income and sales limits, purchase, 10-year buy back period, and shared appreciation equity restrictions. The Developer has indicated that the Developer will not be submitting for General Excise Tax (GET) exemption on the construction costs.

K. The Developer’s estimated schedule for the Project is as follows:

| | |
|-------------------------------------|---------------|
| HHFDC Approval of 201H Exemptions | February 2019 |
| Council Approval of 201H Exemptions | April 2019 |
| Projected Building Permit Date | April 2019 |
| Closing of Construction Financing | May 2019 |
| Construction Start | May 2019 |
| Completion of Construction | March 2021 |

L. Section 15-307-24(b), HAR, provides that the HHFDC Board may certify that the applicant is an eligible developer for the purposes of development of housing projects approved by the corporation under Chapter 201H, HRS, if the Board finds that the applicant:

1. Has demonstrated compliance with all laws, ordinances, rules and other governmental requirements that the applicant is required to meet;
2. Has the necessary experience;
3. Has adequate and sufficient financial resources and support and has secured or has demonstrated the ability to secure a performance or payment bond, or other surety to develop housing projects of the size and type which the applicant proposes to develop; and
4. Has met all other requirements that the corporation determines to be appropriate and reasonable.

M. Proposed members of the Developer’s team include:

1. Developer – Ililani, LLC
2. Development Consultant – Earl Matsukawa, Wilson Okamoto Corporation
3. Architect – Carol S. Sakata, CDS International
4. General Contractor – Andrew Holt, Hawaiian Dredging
5. Management Agent – Kevin Agena, Hawaiian Properties, Ltd.
6. Legal Counsel – William Yuen, Dentons
7. Certified Public Accountant- Joan Manning, JEM Financial Group
8. Operations Manager- Aaron Lee, Ililani, LLC

N. The Developer provided a letter from Seamount Insurance, Inc., dated September 25, 2018, indicating that Seamount Insurance, Inc. is authorized to issue surety bonds in the State of Hawaii and has provided surety credit in the past to the proposed general contractor, Hawaiian Dredging Construction Company, Inc., for single projects in excess of \$375 million and that said sureties would provide a performance and/or payment bond for construction of the Project upon satisfaction of their underwriting criteria prior to construction.

O. A market study prepared by Ricky Cassidy, dated February 7, 2018, concluded that the residential real estate market is midway up its cycle, with shrinking supply of listings and no abatement of demand. Furthermore, relative to demand,

driven by job creation and population growth, the supply side of the market will fall short of fulfilling current pent-up housing need; especially for families making 100% AMI and below. Ultimately, there will be ample demand for the units at all income levels of this project.

- P. Upon approval by the HHFDC Board of Directors, the HHFDC will enter into an agreement with the Eligible Developer pursuant to section 15-307-29, HAR. The agreement is subject to modification, and will include the following applicable terms, conditions, and covenants:
1. Purpose of the agreement, which shall include the development of lower cost housing;
 2. At least 50% plus 1 unit of the total units (165 units) shall be affordable to families at 140% and below the U.S. Department of Housing and Urban Development Area Median Income (AMI), of which at least 10.1% of the total units (33 units) shall be 80% AMI and below, 10.1% of the total units (33 units) shall be between 80% and 100% AMI, 15.2% of the total units (50 units) shall be between 100% and 120% AMI, and 14.9% of the total units (49) units shall be between 120% and 140% AMI.
 3. The affordable for-sale units shall be subject to HHFDC's 10-year buy-back and shared appreciation requirements pursuant to Section 201H-47, HRS and Sections 15-307-101 to 131, HAR;
 4. A description of the role and responsibility of the HHFDC, the eligible developer or contractor, and other parties to the agreement;
 5. Project concept and cost;
 6. Time required to complete the Project;
 7. Delivery of dwelling units;
 8. Sales prices or rents of dwelling units;
 9. Construction agreements (when one of the parties is a contractor);
 10. Insurance and bonding or surety requirements;
 11. Construction management requirements and procedures (including permit registration, document and drawing register, monthly progress reports, and change order management);
 12. Inspection requirements and procedures (including inspection approvals and sign-offs);
 13. Manner in which progress payments are made, if any; and
 14. Such standard clauses that the HHFDC determines to be required including, but not limited to, the following:
 - a. Indemnity;
 - b. Severability;
 - c. Termination; and
 - d. Assignability.

- Q. Sale of the affordable units will be subject to HHFDC's purchase, buyback, and shared appreciation equity program restrictions.
- R. HHFDC finds the following:
1. That the Project primarily or exclusively includes housing units affordable to households with incomes at or below 140% of the median family income;
 2. That the Developer is an Eligible Developer pursuant to Section 15-307-24, HAR;
 3. That the Developer's proposal and Application for exemptions from statutes, ordinances and rules meet minimum proposal requirements pursuant to Section 15-307-26, HAR;
 4. That the Project and proposed exemptions as recommended for approval in Exhibits F and G are consistent with the purpose and intent of Chapter 201H, HRS, and meets minimum requirements of health and safety; and
 5. That the exemptions recommended for approval do not contravene any safety standards, tariffs, or rates and fees approved by the public utilities commission for public utilities or the various boards of water supply authorized under Chapter 43, HRS.

IV. RECOMMENDATION

That the HHFDC Board of Directors approve the following for the Ililani affordable family for-sale housing Project Located at 615 Keawe Street and 690 Halekauwila Street in Kakaako, Oahu, Hawaii, on TMK (1) 2-1-051:011 and 012, substantially as discussed in this For Action:

- A. The certification of Ililani, LLC, or other successor entity approved by the Executive Director, as an Eligible Developer pursuant to Section 15-307-24, HAR;
- B. Development of the Ililani Project with the proposed exemptions from statutes, ordinances and rules of the City and County of Honolulu and the Hawaii Community Development Authority as recommended for approval herein, pursuant to Section 201H-38, HRS; any and all other laws, statutes, ordinances, codes and rules of the City and County and HCDA shall be adhered to;
- C. Execution of a development agreement and Restrictions for such exemptions as required by the Executive Director;
- D. Authorize the Executive Director to take all actions necessary to effectuate the purposes of this For Action;

Subject to the following:

- E. Approval with or without modification by the Honolulu City Council pursuant to Section 201H-38, HRS;
- F. The Project shall not be sold, transferred, or otherwise used to satisfy the reserved housing or affordable housing requirement for any other project at any other location;

- G. Execution of a development agreement and Restrictions to reflect the requirements of this For Action as acceptable to the Executive Director, including recordation of the Restrictions at the Bureau of Conveyances, within nine (9) calendar months of this For Action, unless otherwise extended at the sole discretion of the Executive Director;
- H. Commencement of construction of the Project by November 1, 2019, unless otherwise extended at the sole discretion of the Executive Director;
- I. Completion of the Project by September 30, 2021, unless otherwise extended at the sole discretion of the Executive Director; and
- J. Compliance with all laws, rules and such other terms and conditions as may be required by the Executive Director,

Attachments: Exhibit A – Location and TMK Maps
 Exhibit B – Building Plans, Elevations, and Outline Specifications
 Exhibit C – Organizational Structure
 Exhibit D – Developer’s Development Experience
 Exhibit E – List of Review Agencies
 Exhibit F – Summary of HCDA Exemptions, Comments and Recommended Actions
 Exhibit G – Summary of City Exemptions, Comments and Recommended Actions
 Exhibit H – DPP Comments
 Exhibit I – BWS Comments
 Exhibit J – HCDA Comments
 Exhibit K – Dept. of Environmental Services Comments

Prepared by: Genoa Ward, Project Manager *GW*
 Reviewed by: Ken Takahashi, Project Manager *DN*
 Reviewed by: Deepak Neupane, Development Branch Chief *DN*

Approved by The Board of Directors at its meeting
 on FEB 14 2019
DEVELOPMENT BRANCH

Please take necessary action.

[Signature]
 EXECUTIVE DIRECTOR



EXHIBIT A

EXHIBIT A



ILILANI TOWER

LOCATION MAP

Figure No.

1-1

**NOTE: EXHIBIT B FROM THE FEBRUARY 14, 2019 FOR ACTION,
SHOWING PROJECT DRAWINGS AND OUTLINE SPECIFICATIONS, IS
OMITTED, PLEASE SEE EXHIBIT D TO THE JULY 9, 2020 FOR ACTION
FOR UPDATED VERSION.**

EXHIBIT A

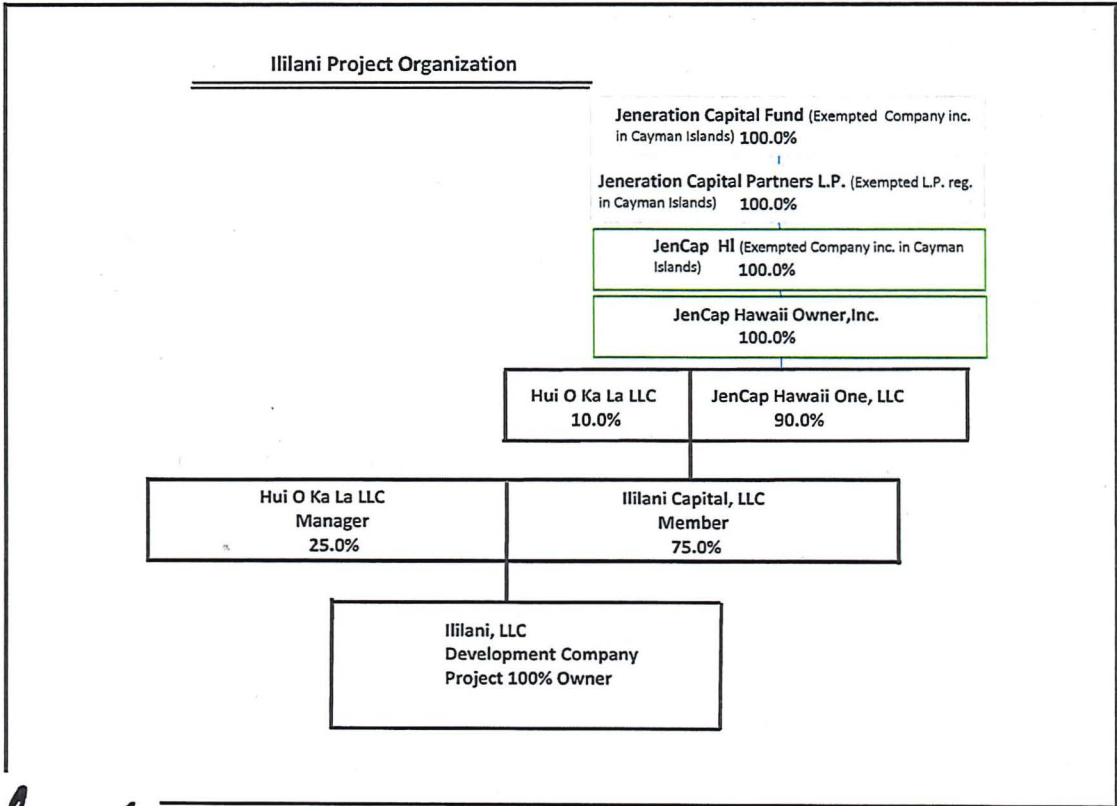


EXHIBIT C

EXHIBIT A

KENNETH KAI CHANG

Primary Responsibility: Development management, including strategic planning and government affairs. Specific responsibilities include acquisitions, portfolio mix, legal/financial structures, and oversight of design and construction.

EDUCATION:

HARVARD UNIVERSITY
HARVARD COLLEGE
A.B. magna cum laude

Liberal arts program, Major in Visual and Environmental Sciences with a joint program in economics and public housing.

HARVARD UNIVERSITY
GRADUATE SCHOOL OF DESIGN
Master of Architecture

Three year professional degree in architecture. Minor program emphasis in urban design.

EXPERIENCE:

PRESIDENT Kai Associates, Inc. Founder and Owner, of a thirty-five year old real estate development firm in Southern California, developing property for its own account and for the account of affiliated Asian investment groups. The special emphasis of the firm is development of master-planned communities, including vertical construction of estates, multifamily housing, and hotels.

- Manager of Ililani, LLC, developer of proposed 328-unit workforce housing project in the Kakaako area of Honolulu, Hawaii. Ongoing as of December 31, 2017.
- Manager of Beresford Properties, LLC, owner and developer of the Walker Hills Project, Riverside, California, 401 acres in the De Luz hills of Temecula, surrounding the premier Cross Creek Golf Course. Ongoing as of December 31, 2017.
- Principal development partner in the Deer Crest Project, Park City, Utah, a master land development valued at \$350M with additional vertical construction components valued in excess of \$2Billion. The Project is developed with partners in Deer Crest Associates I, LLC and includes the 400 room St. Regis Hotel. Ongoing as of December 31, 2017.
- A recently completed major project, Mulholland Estates, Beverly Hills, California is composed of eighty-eight homes with a total volume of sales of \$500M.
- General Partner of the current development of Hidden Ridge, Hidden Hills, California. The eleven estates, with houses averaging 10,000 s.f. each, on two acres of land, will be valued at \$13M-\$15M each upon completion. Ongoing as of December 31, 2017.
- General Partner of Cambridge Financial of California, LLC, Lender on the 8000 acres surrounding Vail Lake, Riverside, California.
- Project Management for Punahou Regency, 22 story 43 unit condominium, Honolulu. Heated tunnel form construction system. Efficient Mauka-Makai thru views project. Presold in 3 days.
- Another major undertaking was the 1400-acre Big Rock Canyon project in Malibu, California. Proposed as a golf course with one hundred twelve homesites and equestrian facilities, the project was sold to another entity.
- In the Westside market of Los Angeles only two properties of greater than 100 acres in size remain. One of these properties, the Deervale Estates proceeded through entitlements and was subsequently sold to another entity.

1

EXHIBIT D

EXHIBIT A

- Project management consultant for the Hughes Trust on the last remaining Westside property of size at the high point of Beverly Hills, composed of six lots last appraised at \$180Million.

CO-FOUNDER
& DIRECTOR

SKYHO, Ltd., 1979 to present. The firm has specialized in industrial development in Asia. Current activities are focused on acquisition in the industrial sectors in China which are experiencing consolidation, such as cement and engineering plastics. Since 1981, SKYHO has successfully contracted for over 100 industrial projects and provided complete plants, process engineering, training and plant startup.

DIRECTOR

Sam Chang Architect & Associates, Inc., 1974 to 2003. The firm's activities include the design of airports, masterplans, exhibition and transportation centers, office buildings and hotels. The firm's Dong Cheng Center, a 2 million square feet project, won a prestigious Award for Best Project of 1994 from the Beijing Capital Planning Commission. Team members' completed projects include the Honolulu International Airport, Kahului Airport, CKS Airport, and various hotel- convention facilities.

PROJECT
MANAGEMENT
EXPERIENCE

(Sampling of prior projects):

- Wilshire/Crenshaw Station, \$48M, 1,000 foot long cut-and-cover structure for the Metro-Rail Project, Los Angeles. Project Director and Principal-in-Charge: The Turner/Chang, J.V. was awarded this assignment which proceeded through completed construction documents.
- Tochal Mountain Resort, \$350M, 12-Kilometer site, 3 hotels, Luxury Villas, 2 Ski Lodges, Tehran. Project Manager: Gondola line and site grading completed, first hotel site and separate restaurant and entertainment complex completed prior to the Khomeini revolution.
- Honolulu International Airport, \$2Billion, 2,560,000 s.f., Honolulu, Hawaii. Project management role: Continuous service over several decades on a constant call back basis for a very satisfied client.
- Kahului Airport, \$180M, 28 gates, 478,000 s.f., Maui, Hawaii. Project management role: Project resulted from airline deregulation and direct flights to Maui. Role included oversight of project management and vertical construction.
- CKS International Airport, \$350M, 1,764,000 s.f., Taipei, Taiwan. Project management role: Terminal design and construction management on a master plan by Ralph M. Parsons Company.
- The Royal Darband Hotel and Condominiums, \$90M, 209 rooms, 40 villas, Tehran. Winning design selected by Empress Farah on behalf of the Pahlavi Foundation, after an international competition. Project integrated with the hillside topography of the Shah's summer palace grounds.
- Maui Surf Hotel, 556 room resort hotel and convention center, Kaanapali, Maui, which pioneered the open lobby concept with direct connection of entry to activity areas and the beach. Role as construction phase project manager was to eliminate cost overruns while ensuring that the quality and integrity of the project was not compromised.
- Niloofar Park Condominiums, High-end highrise 297 units, Tehran, Iran
- Sun Garden, Entry Level Condominiums, Alhambra, California
- Marengo Manor, Entry Level Condominiums, Arcadia, California

EXHIBIT D

EXHIBIT A

- Broadway Allright Arcade, strip retail center, Los Angeles
- Subic Bay, 300-Unit Hillside Apartments, Philippines
- Clark AB, 2,235-Unit Housing Masterplan, Philippines

PROFESSIONAL
REGISTRATION:

Registered Architect – California.

AFFILIATIONS
& ACTIVITIES:

- Mayor’s Blue Ribbon Committee, Los Angeles 2000 - Convened in 1992 by Mayor Tom Bradley, the LA 2000 Committee formulated on a consensus basis a growth management plan for metropolitan Los Angeles. Industrial, trade, tourism and service sector growth were balanced against regional issues of air quality, traffic congestion and resource management. Participants in the forum included thirty plus private sector individuals and a dozen public sector representatives of concerned agencies. The formulated LA 2000 Plan has since been converted into successful legislation affecting many sectors of policy making in the greater Los Angeles area.
- Planning Commission Task Force, Concept L.A. - A task force of private sector individuals convened in 1991 by the president of the City Planning Commission to revisit the seminal planning document (Concept LA” (1972), the basis of the General Plan and all the Community Plans for LA. The task force dealt with issues of City form (nodal or linear expansion), the image of the City as a multi-centric metropolis, locations of housing, and allocation of densities. The report of the Task Force continues to serve as the unofficial planning guideline, often referred to by City Planning staff and Commissioners.
- Property & Fund Subcommittee, CALD, Presbyterian Church (U.S.A.) Synod of So. Cal. & Hawaii
- Center City West Associates, Los Angeles, past President
- Harvard Graduate School of Design Alumni Council 1998 to 2006, emeritus 2017.

7. CONSULTATION

7.1 Pre-Assessment Consultation

The following agencies and organizations were consulted during the Draft EA Pre-Assessment Consultation process that took place in 2017. Parties that formally replied during the pre-assessment period, are indicated by a ✓, below. All comments are reproduced in Appendix B.

Federal Agencies

National Oceanic and Atmospheric Administration, Pacific Islands Regional Office
U.S. Army Corps of Engineers
U.S. Department of the Interior, Fish and Wildlife Service
Federal Aviation Administration
Department of Homeland Security

State Legislative Branch

Senator Brickwood Galuteria
Representative Kyle Yamashita

State Agencies

Department of Accounting and General Services
Department of Business, Economic Development and Tourism
Department of Business, Economic Development and Tourism, Energy Office
Department of Business, Economic Development and Tourism, Land Use Commission
Department of Business, Economic Development and Tourism, Office of Planning
Department of Defense
✓ Department of Education
Department of Defense, State Civil Defense
Department of Health
Department of Health, Clean Water Branch
Department of Health, Environmental Management Division
✓ Department of Health, Environmental Planning Office
✓ Department of Land and Natural Resources
Department of Land and Natural Resources, Historic Preservation Division
Department of Transportation
Hawai'i Community Development Authority
Office of Environmental Quality Control
Office of Hawaiian Affairs
Office of Planning
Hawai'i Community Development Authority
✓ University of Hawai'i at Mānoa Environmental Center

City Council

Councilmember Ann Kobayashi
Councilmember Carol Fukunaga

City and County of Honolulu Agencies

- ✓ Board of Water Supply
- Department of Community Services
- ✓ Department of Design and Construction
- Department of Environmental Services
- ✓ Department of Facility Maintenance
- Department of Parks and Recreation
- ✓ Department of Planning and Permitting
- Department of Transportation Services
- ✓ Honolulu Fire Department
- Honolulu Police Department

Utility Companies

Verizon Hawai'i
Hawai'i Gas
Hawaiian Electric Company, Inc.
Hawaiian Telcom
Spectrum

Other Interested Parties and Individuals

Ala Moana – Kaka'ako Neighborhood Board No. 11

7.2 Draft EA

Three comment letters were received during the public and agency comment period for the Draft EA, which began with the publication of the Draft EA in the OEQC's Environmental Notice on February 8, 2018 and ended 30 days later on March 12, 2018. These letters are reproduced in Appendix B (Part II).

The following agencies and organizations commented on the Draft EA:

State Agencies

Department of Health
Hawai'i Community Development Authority

City and County of Honolulu Agencies

Board of Water Supply

7.3 Second Draft EA

Three comment letters, as well as an email, were received during the public and agency comment period for the Draft EA, which began with the publication of the Draft EA in the OEQC's Environmental Notice on October 8, 2018 and ended 30 days later on November 7, 2018. These letters are reproduced in Appendix B (Part III).

The following agencies and organizations commented on the Second Draft EA:

State Agencies

Hawai'i Community Development Authority

City and County of Honolulu Agencies

Board of Water Supply (via email)

Department of Environmental Services

Department of Planning and Permitting

Hawaii Summary of Exemptions/Deferrals and Recommendations
Hawaii Community Development Authority (HCDA) Exemptions
Section 201H-38, HRS

| Development Standard or Requirement | Relevant Rule(s)/Applicable | Proposed Project Standard | Requested Exemption/Rationale | Est. Fee | Agency Comments | Developer's Response | Recommendation |
|---------------------------------------|--|--|---|----------|--|---|----------------|
| | HCDA | | | | | | |
| 1. Reserved Housing | Kakaako Reserved Housing Rules (Chapter 15-218). 20% Reserved Housing | Exemption. The project will instead comply with all applicable HHFDC requirements and restrictions pertaining to sale of affordable housing units. | Request exemption from reserved housing rules. HHFDC's 201H rule provides more affordable housing than the HCDA 20% Reserved Housing. HHFDC 201H rules are feasible for our project while additional compliance with HCDA 20% Reserved Housing related rules would render the project infeasible. | NA | HCDA supports the affordable housing component of the project and provided comments about the project. HCDA stated that it is HCDA's understanding that the Project will require exemption from HRS. Ch. 15-218 Kakaako Reserved Housing Rules, which will exempt the Project from needing to provide reserved housing units. | Acknowledged HCDA comments with response letter. | Approval* |
| 2. Maximum Height - Parking Structure | Mauka Area Rules Figure 1.3(D); Figure NZ.6(D) (65' Street Front Element Height limit) | 76' at Street Front, 78.5' at roof deck 45' set back from street front. | Request exemption from 65' height limit (Parking structure height will be about 79'). Approximately 79' of parking street frontage height along Halekauwila Street is needed to provide around 1 parking space per housing unit. This exemption is required to provide sufficient off-street parking. | NA | HCDA supports the affordable housing component of the project and provided comments about the project. HCDA stated that it is HCDA's understanding that the Project will be requesting exemption from <i>Street Front Element Height Range</i> as established by Figures 1.3D and NZ.6(D) of the Mauka Area Rules, which will allow the street front element height to exceed the 65' limit. | Acknowledged HCDA comments with response letter. | Approval* |
| 3. Density - FAR | Mauka Area Rules Figure 1.3(D); Figure NZ.6(D) (Maximum Density (FAR) is 3.5) | 8.8. FAR | Request exemption from 3.5 maximum FAR (Building FAR to be about 8.8). This exemption and proposed project FAR is required for economic feasibility of the project. | NA | HCDA supports the affordable housing component of the project and provided comments about the project. HCDA stated that it is HCDA's understanding that the Project will be requesting exemption from Maximum density (<i>floor area ratio</i>) as established in Figures NZ.6(D) Mauka Area Rules, which will allow the Project's developer to | Acknowledged HCDA comments with response letter. | Approval* |

EXHIBIT F
Page 1 of 5

EXHIBIT A

*Except for the exemptions/deferrals recommended for approval, all other statutes, ordinances, and rules of the Hawaii Community Development Authority (HCDA) shall be complied with.

Iliani Summary of Exemptions/Deferrals and Recommendations
Hawaii Community Development Authority (HCDA) Exemptions
Section 201H-38, HRS

| | | | | | | | |
|-------------------------------------|---|---|---|------------|--|--|-----------|
| | | | | | increase the Project's FAR from 3.5 to 8.8. | | |
| 4. Public Facilities Dedication Fee | Mauka Area Rules 15-217-65 (land dedication or fee payment) | No land dedication or fee payment. | Exemption from land dedication and fee payment. This exemption is required for economic feasibility of the project. | \$ 320,000 | HCDA supports the affordable housing component of the project and provided comments about the project. HCDA stated that it is HCDA's understanding that the Project will be requesting exemption from Mauka Area Rules 15-217-65 <i>Public Facility Dedication Fee</i> , which will exempt the Project from having a public facility dedication fee. | Acknowledged HCDA comments with response letter. | Approval* |
| 5. Curb Cuts | Mauka Area Rules 15-217-63(c)3 (Curb cut to be minimum 22' from adjacent property) | Halekauwila curb cuts (2) will be less than 22' feet from adjacent properties, compliant with City and County standards for location, design and ADA accessibility. | Request exemption from 22' minimum curb cut setback requirement (Halekauwila curb cuts (2) will be less than 22' from adjacent properties). The proposed driveway aprons will meet City and County standards for location, design and ADA accessibility. Adequate site distance will be provided for vehicles exiting the driveway. The proposed driveways will not pose a safety risk. This proposed exemption is required for truck and car turning radii in and out of our parking structure, and efficiency of the parking structure. | NA | HCDA supports the affordable housing component of the project and provided comments about the project. HCDA stated that it is HCDA's understanding that the Project will be requesting exemption from Mauka Area Rules 15-217-63(c)3 <i>Curb Cuts</i> , which will allow the Project to have curb cuts closer than twenty-two feet from adjacent properties. | Acknowledged HCDA comments with response letter. | Approval* |
| 6. LEED | Mauka Area Rules 15-217-59 (HCDA staff anticipates LEED new construction v. 4 compliance) | Substantial but incomplete LEED compliance. | Request exemption from compliance with LEED (However, Project will incorporate LEED standards where feasible). This exemption is required for economic feasibility of the project. | NA | HCDA supports the affordable housing component of the project and provided comments about the project. HCDA stated that it is HCDA's understanding that the Project will be requesting exemption from Mauka Area Rules 15-217-59 <i>Green Building</i> , which will exempt the Project from needing to achieve the base LEED certification or LEED equivalent. | Acknowledged HCDA comments with response letter. | Approval* |

EXHIBIT F
Page 2 of 5

EXHIBIT A

*Except for the exemptions/deferrals recommended for approval, all other statutes, ordinances, and rules of the Hawaii Community Development Authority (HCDA) shall be complied with.

Iliani Summary of Exemptions/Deferrals and Recommendations
Hawaii Community Development Authority (HCDA) Exemptions
Section 201H-38, HRS

| | | | | | | | |
|--|--|---|--|----|---|--|-----------|
| 7. Projections beyond build-to line | Mauka Area Rules Figure 1.13-C; (21' min. vertical clearance and 8' max. horizontal clearance) | 2nd floor balconies will project about 5' beyond the build-to line 15' above Lobby level. | Request exemption from projections beyond build-to line limitations (2nd floor balconies will project about 5' beyond the build-to line), 15' above Lobby level. The balconies are necessary for locating air conditioning condenser units for the 2nd floor residential units and will improve quality of life for the residents compared to not having balconies. | NA | HCDA supports the affordable housing component of the project and provided comments about the project. HCDA stated that it is HCDA's understanding that the Project will be requesting exemption from <i>Minimum Vertical Clearance for Balcony Front Yard Encroachments</i> as defined in Figure 1.13-C of the Mauka Area Rules, which will allow balconies for the Project to only have a minimum vertical clearance of 15 feet above the sidewalk. | Acknowledged HCDA comments with response letter. | Approval* |
| 8. Off-Street Parking | Mauka Area Rules 15-217-63(e); 15-217-63(f); Figure 1.10-A (398 parking stalls required) | 395 parking stalls will be provided, of which 38 are tandem rear stalls. | Request exemption from the off-street parking requirements (Sufficient shared parking will be provided using the .83 shared parking ratio). In addition, the project will be 1 block from a proposed HART station. This exemption is needed for financial feasibility of the project, to avoid building more than 1 parking space per unit that is not needed for the project. | NA | HCDA supports the affordable housing component of the project and provided comments about the project. HCDA stated that it is HCDA's understanding that the Project will be requesting exemption from the off-street parking quantity requirement; however, if the Project utilizes the shared parking provision, then the off-street parking quantity requirement can be met and may not require this exemption. HCDA also recommended the Developer to reevaluate this. | Acknowledged HCDA comments with response letter stating that Iliani is electing to request the exemption relating to the off-street parking quantity requirement, out of an abundance of caution pending approval of the Project by HHFDC. | Approval* |
| 9. Frontage Occupancy at Build-to Line | Mauka Area Rules Figure 1.3(C); Figure NZ.6(C) (60% minimum frontage occupancy at build-to line) | 49% average occupied frontage. | Request exemption from 60% minimum frontage occupancy at build-to line on Halekauwila St. (Halekauwila frontage occupancy will be approximately 49%). This exemption is needed to provide adequate parking ingress and egress. | NA | HCDA supports the affordable housing component of the project and provided comments about the project. HCDA stated that it is HCDA's understanding that the Project will be requesting exemption from <i>Frontage Occupancy at Build to Line</i> as established in Figure 1.3(C) and Figure NZ.6(C) | Acknowledged HCDA comments with response letter. | Approval* |

EXHIBIT F
Page 3 of 5

EXHIBIT A

*Except for the exemptions/deferrals recommended for approval, all other statutes, ordinances, and rules of the Hawaii Community Development Authority (HCDA) shall be complied with.

Iilani Summary of Exemptions/Deferrals and Recommendations
Hawaii Community Development Authority (HCDA) Exemptions
Section 201H-38, HRS

| | | | | | | | |
|--|---|---|---|----|---|--|-----------|
| | | | | | of the Mauka Area Rules, which will allow the Project's Halekauwila Street frontage to be less than the 60 percent occupancy requirement. | | |
| 10. Parking Setback 40 Feet from Parcel Line | Mauka Area Rules Figure 1.10; Parking setback is 40 feet from the parcel line | Open to sky monthly or quarterly emergency power refueling truck location at the parcel line (0-foot setback). | Request exemption from parking setback 40 feet from parcel line on Halekauwila St. This exemption is needed to provide open to sky emergency power refueling truck location. This provision meets City & County of Honolulu codes and is safe. One parking stall, designated only for generator fuel delivery, will be located at the Halekauwila property line (0 ft setback). | NA | HCDA supports the affordable housing component of the project and provided comments about the project. HCDA stated that it is HCDA's understanding that the Project will be requesting exemption from <i>Parking Placement Zone</i> as established in Figure 1.10 of the Mauka Area Rules, which will allow the Project to provide one parking stall, designated only for generator fuel delivery, within the forty-foot parking setback. | Acknowledged HCDA comments with response letter. | Approval* |
| 11. Recreation Space | Mauka Area Rules 15-217-56(d) (Residential projects... shall provide fifty-five square feet of recreation space per dwelling unit.) | 18,040 square feet of recreation space is required. Our design provides 16,748 square feet due to budget, building envelope constraints, and our small land size. | Request exemption from the recreation space requirement. Instead, approximately 16,748 square feet of recreation space will be provided. This exemption is required to maintain project feasibility. | NA | HCDA supports the affordable housing component of the project and provided comments about the project. HCDA stated that it is HCDA's understanding that the Project will be requesting exemption from Mauka Area Rules 15-217-56(d), which will exempt the Project from needing to provide fifty-five square feet of recreation space per dwelling unit. | Acknowledged HCDA comments with response letter. | Approval* |
| 12. Mauka-Makai Zone | Mauka Area Rules 15-217-55(l)(4) (Minimum 300' from existing tower) | Iilani's tower may be less than 300' from an existing adjacent tower's "mauka-makai zone" if an alternate axis interpretation is used | Request exemption from the 300' minimum tower separation. Iilani's tower is approximately 187' from an existing adjacent tower, but will not be within 300' of that tower's Mauka-Makai Zone. This exemption covers alternate axis interpretation of the nearest tower being 187' away. This exemption is required for | NA | HCDA supports the affordable housing component of the project and provided comments about the project. HCDA stated that it is HCDA's understanding that the Project will be requesting exemption from Mauka Area Rules 15-217-55(l)(4), which will allow the | Acknowledged HCDA comments with response letter. | Approval* |

EXHIBIT A

*Except for the exemptions/deferrals recommended for approval, all other statutes, ordinances, and rules of the Hawaii Community Development Authority (HCDA) shall be complied with.

Iiilani Summary of Exemptions/Deferrals and Recommendations
Hawaii Community Development Authority (HCDA) Exemptions
Section 201H-38, HRS

| | | | | | | | |
|-----------------------------|---|-------------------------|---|----|---|--|-----------|
| | | | economic feasibility of the project. | | Project's tower to be located less than 300 feet from any existing adjacent tower's "mauka-makai zone". HCDA acceptance of Mauka Area Rule compliance is completed as a part of the Development Permit Approval. | | |
| 13. HCDA Development Permit | Mauka Area Rules 15-217-80; Improvement and Development Permits | HCDA Development Permit | Request exemption from HCDA Development Permit requirement. This exemption is required to maintain project feasibility. | NA | HCDA supports the affordable housing component of the project and provided comments about the project. HCDA notes that Section 4.3 of the Second Draft EA identifies a Development Permit from the HCDA as one of the permits required for the Project. HCDA states to consult HAR 15-217 and HRS 206E-5.6 for the Development Permit application requirement and approval process. | Acknowledged HCDA comments with response letter. Response letter states that in response to follow up conversations with HCDA staff to clarify HCDA comments, Iiilani, LLC is accepting HCDA staff suggestion to apply for an exemption from the HCDA Development Permit required under HAR 15-217-80. Comment letter further states that the 201H application requests for numerous HCDA design standards and rules, compliance to which design standards and rules HCDA addresses in its Development Permits. Response letter claims HCDA staff informed Developer that HCDA staff issues a Development Permit for 201H projects and not the HCDA Board. | Approval* |

EXHIBIT F
Page 5 of 5

EXHIBIT A

*Except for the exemptions/deferrals recommended for approval, all other statutes, ordinances, and rules of the Hawaii Community Development Authority (HCDA) shall be complied with.

Illani Summary of Exemptions/Deferrals and Recommendations
 City and County of Honolulu Exemptions/Deferrals
 Section 201H-38, HRS

| Development Standard or Requirement | Relevant Rule(s)/Applicable | Proposed Project Standard | Requested Exemption/Rationale | Est. Fee | Agency Comments | Developer's Response | Recommendation |
|---------------------------------------|---|---------------------------|--|-------------|--|--|----------------|
| | City and County of Honolulu | | | | | | |
| 14. Building Permit Fees | ROH 18-6.2 | Exemption. | Request exemption from Building Permit Fee. This exemption is required to maintain project feasibility. | \$ 445,000 | The DPP does not object to this request. | Acknowledged in response letter that the DPP has no objection to requested fee exemption. | Approval* |
| 15. Plan Review Fees | ROH 18-6.1 | Exemption. | Request exemption from Plan Review Fees. This exemption is required to maintain project feasibility. | \$ 25,000 | The DPP does not object to this request. | Acknowledged in response letter that the DPP has no objection to requested fee exemption. | Approval* |
| 16. Wastewater System Facility Charge | ROH 14-10.1; 14-10.2; and 14-10.3 | Deferral. | Request deferral of Wastewater System Facility Charge until issuance of Certificate of Occupancy. This deferral is required to maintain project feasibility. | \$2,197,174 | The DPP does not object to this request. The City Department of Environmental Services has no objections to this request. | Acknowledged in response letter that the DPP and Dept. of Environmental Services have no objection to requested fee deferral until issuance of Certificate of Occupancy. | Approval* |
| 17. Water System Facilities Charges | BWS Rules & Regulations (2010) Sec. 1-102 | Deferral. | Request deferral of water system facilities charges until installation of the water meter. This deferral is required to maintain project feasibility. | \$ 604,899 | The Board of Water Supply (BWS), requested deferral of wastewater system facility charges until installation of the water meter and that a Deferral Agreement will be executed during the Building Permit Application process. | Acknowledged in response letter that BWS will grant the deferral of the water system facilities charges until the installation of the water meter and that a Deferral Agreement will be executed during the Building Permit Application process. | Approval* |

EXHIBIT G
Page 1 of 1

EXHIBIT A

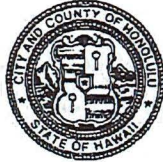
*Except for the exemptions/deferrals recommended for approval, all other statutes, ordinances, and rules of the City and County of Honolulu shall be complied with.

DB

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAII 96813
PHONE: (808) 768-8000 • FAX: (808) 768-8041
DEPT. WEB SITE: www.honoluluapp.org • CITY WEB SITE: www.honolulu.gov

KIRK CALDWELL
MAYOR



KATHY K. SOKUGAWA
ACTING DIRECTOR

TIMOTHY F. T. HIJU
DEPUTY DIRECTOR

EUGENE H. TAKAHASHI
DEPUTY DIRECTOR

November 2, 2018

2018/ELOG-2017(AB)

Mr. Dalton Beauprez
Wilson Okamoto Corporation
1907 South Beretania Street, Suite 400
Honolulu, Hawaii 96826

RECEIVED
NOV 05 2018
WILSON OKAMOTO CORPORATION

Dear Mr. Beauprez:

SUBJECT: Request for Comments Draft Environmental Assessment (DEA) and Exemptions and Deferrals Request Ililani Tower Workforce Housing Halekauwila and Keawe Streets - Kakaako Tax Map Key 2-1-051: 011

Thank you for the opportunity to provide comments for the Ililani Tower DEA. The subject Project is within the Kakaako Community Development District, and is therefore under the planning and zoning jurisdiction of the Hawaii Community Development Authority. The project will be reviewed by the Hawaii Housing Finance and Development Corporation as an affordable housing project seeking exemptions from various statutes and ordinances, pursuant to Chapter 201H of the Hawaii Revised Statutes (HRS). The Department of Planning and Permitting (DPP) appreciates this opportunity to provide comments related to the request for fee exemptions and deferrals, traffic impact, sea level rise (SLR), and Transit Oriented Development (TOD) design.

Pursuant to Section 201H-38, HRS, the Applicant is requesting the exemption from Building Permit and Plan Review fees, estimated to be valued at about \$470,000 in total. The Applicant is also seeking deferral of the Wastewater System Facility Charge until the issuance of a Certificate of Occupancy. The DPP does not object to these requests.

The Applicant is already in communication with the DPP Traffic Review Branch. Concerns related to traffic, site design, and public safety will be addressed during the review of forthcoming construction plans.

EXHIBIT H

EXHIBIT A

Mr. Dalton Beauprez
November 2, 2018
Page 2

The Final Environmental Assessment (FEA) should indicate that the site may be impacted by SLR during the life of the building. The subject site is within the projected six-foot SLR inundation area as depicted by the National Oceanic and Atmospheric Administration SLR Viewer. The FEA should include an analysis of the possible chronic and acute impacts of climate change and SLR on the project during the life of the proposed structure(s) and operation. The FEA should discuss how the design and proposed operations of the project and/or other site adaptation measures will mitigate impacts from SLR exposure and the risk of flooding during the life of the project. Project assessments should review and address the City and County of Honolulu Climate Change Commission's Sea Level Rise Guidance (June 5, 2018) and Climate Change Brief (June 5, 2018), the Hawaii Sea Level Rise Vulnerability and Adaptation Report (December 2017), and the Hawaii Sea Level Rise Viewer for a combined hazard area up to 3.2 feet of SLR. These resources are screening and reference tools and do not replace more detailed modeling and analysis at the site level.

To improve the project's consistency with the objectives of the Primary Urban Center Development Plan and TOD principles, the Applicant should consider providing retail or community facility spaces fronting Keawe and Halekauwila Streets. The project is across the street from the Kakaako Rail Station, and a vibrant mix of storefronts and/or community facilities, such as recreation rooms, co-working spaces, or access to long-term bicycle parking would better contribute to the vibrancy and safety of the TOD area. Ground-floor parking is not consistent with the foundational ideology of TOD. To better support the TOD area and encourage the widespread use of alternative modes of transportation, the Applicant should consider installing street trees next to the curb along the Keawe and Halekauwila Streets, installing streetscape elements (e.g., benches or short-term bicycle parking), and providing a significant amount of bicycle parking in a safe, convenient, and secure location.

Thank you for the opportunity to review and comment on this project. Should you have further questions, please contact Alex Beatty, at 768-8032.

Very truly yours,


for Kathy K. Sokugawa
Acting Director

EXHIBIT H

EXHIBIT A

BOARD OF WATER SUPPLY

CITY AND COUNTY OF HONOLULU
630 SOUTH BERETANIA STREET
HONOLULU, HI 96843
www.boardofwatersupply.com



June 4, 2018

KIRK CALDWELL, MAYOR

BRYAN P. ANDAYA, Chair
KAPLA SPROAT, Vice Chair
DAVID C. HULIHEE
KAY C. MATSUI
RAY C. SOON

ROSS S. SASAMURA, Ex-Officio
JADE T. BUTAY, Ex-Officio

ERNEST Y. W. LAU, P.E.
Manager and Chief Engineer

ELLEN E. KITAMURA, P.E.
Deputy Manager and Chief Engineer *عليه*

Mr. Dalton Beauprez
Wilson Okamoto Corporation
1907 South Beretania Street, Suite 400
Honolulu, Hawaii 96826

Dear Mr. Beauprez:

Subject: Your Email Dated May 17, 2018 Requesting Comments on the Draft Environmental Assessment for the Proposed Ililani Tower Workforce Housing on Keawe Street and Halekauwila Street – Tax Map Key: 2-1-051: 011, 012

Thank you for the opportunity to comment on the proposed 328-unit mixed-use development.

The existing water system is adequate to accommodate the proposed 328-residential unit commercial mixed-use development. However, please be advised that this information is based upon current data, and therefore, the Board of Water Supply reserves the right to change any position or information stated herein up until the final approval of the building permit application. The final decision on the availability of water will be confirmed when the building permit application is submitted for approval.

When water is made available, the applicant will be required to pay our Water System Facilities Charges for resource development, transmission, and daily storage.

The developer should separately meter the different uses in the proposed development.

For the request for deferral of Water System Facilities Charges until the certificate of occupancy is obtained pursuant to Section 201-H, HRS, please coordinate with Garon Hamasaki, Service Engineering Section of our Customer Care Division at 748-5472, for further evaluation.

Water conservation measures are required for all proposed developments. These measures include utilization of nonpotable water for irrigation using rain catchment, drought tolerant plants, xeriscape landscaping, efficient irrigation systems, such as drip system and moisture sensors, and the use of Water Sense labeled ultra-low-flow water fixtures and toilets.

Water for Life . . . Ka Wai Ola

EXHIBIT I

EXHIBIT A

Mr. Dalton Beauprez
June 4, 2018
Page 2

High-rise buildings with booster pumps will be required to install water hammer arrestors or expansion tanks to reduce pressure spikes and potential main breaks in our water system.

The on-site fire protection requirements should be coordinated with the Fire Prevention Bureau of the Honolulu Fire Department.

If you have any questions, please contact Robert Chun, Head of the Project Review Branch of our Water Resources Division at 748-5443.

Very truly yours,



ERNEST Y. W. LAU, P.E.
Manager and Chief Engineer

cc: ~~R~~ Chun
No Log #

EXHIBIT I

EXHIBIT A

BOARD OF WATER SUPPLY

CITY AND COUNTY OF HONOLULU
630 SOUTH BERETANIA STREET
HONOLULU, HI 96843
www.boardofwatersupply.com



July 9, 2018

KIRK CALDWELL, Mayor

BRYAN P. ANDAYA, Chair
KAPUA SPRAT, Vice Chair
DAVID C. HULHEE
KAY C. MATSU
RAY C. SOON

ROSS S. SASAMURA, Ex-Officio
JADE T. BUTAY, Ex-Officio

ERNEST Y. WILAU, P.E.
Manager and Chief Engineer

ELEN E. KITAMURA, P.E.
Deputy Manager and Chief Engineer

Mr. Dalton Beauprez, Planner
Wilson Okamoto Corporation
1907 S. Beretania Street, Suite 400
Honolulu, Hawaii 96826

RECEIVED
JUL 10 2018
CITY AND COUNTY OF HONOLULU

DB

Dear Mr. Beauprez:

Subject: Deferral Request for the Proposed Iliani Project

Thank you for your letter dated June 26, 2018, regarding the proposed Iliani project. The Board of Water Supply will grant the deferral of the water system facilities charges until the certificate of occupancy is issued. A Deferral Agreement will be executed during the Building Permit Application process.

If you have any questions, please call Garon Hamasaki of our Service Engineering Section, at 748-5460.

Very truly yours,

ERNEST Y. W. LAU, P.E.
Manager and Chief Engineer

EXHIBIT I

EXHIBIT A

To: 'Garon Hamasaki' <GHAMASAKI@hbws.org>; Dalton Beauprez <DBeauprez@wilsonokamoto.com>
Subject: RE: Request For Comment On 201H Exemptions and Deferrals for the Proposed Ililani Project

Garon,

Thanks for the update – will run with your email as documentation for 201H Purposes on HHFDC's end.

Mahalo,

Keola Cheng
Project Manager



WILSON OKAMOTO
CORPORATION

1907 South Beretania Street, Suite 400
Honolulu, Hawaii 96826
T (808) 946-2277 F (808) 946-2253
W <http://www.wilsonokamoto.com>

This message contains information that might be confidential and privileged. Unless you are the addressee or are authorized by the sender, you may not use, copy or disclose the information contained in this message. If you have received this message in error, please delete it and advise the sender.

From: Garon Hamasaki [<mailto:GHAMASAKI@hbws.org>]
Sent: Monday, October 15, 2018 2:29 PM
To: Keola Cheng <KCheng@wilsonokamoto.com>; Dalton Beauprez <DBeauprez@wilsonokamoto.com>
Subject: RE: Request For Comment On 201H Exemptions and Deferrals for the Proposed Ililani Project

I'm not sure what you need, but you may use the email as documentation. I don't deal with EA's, so I will not generate any formal letters.

From: Keola Cheng <KCheng@wilsonokamoto.com>
Sent: Monday, October 15, 2018 2:22 PM
To: Garon Hamasaki <GHAMASAKI@hbws.org>; Dalton Beauprez <DBeauprez@wilsonokamoto.com>
Subject: RE: Request For Comment On 201H Exemptions and Deferrals for the Proposed Ililani Project

Garon,

Thanks for the quick response. Our understanding of the 201H process is that HHFDC is intending to use the EA process as a means of soliciting comments on the deferrals and exemptions requested by the applicant.

EXHIBIT I

EXHIBIT A

exemptions requested by the applicant.

We will revise the forthcoming Final EA to read as a "deferral until installation of the water meter" per your request. Would it be possible for you to generate a formal letter documenting your feedback on the deferrals / exemptions requested under the Draft EA (namely just documenting your last message)?

Thanks!

Keola Cheng
Project Manager



WILSON OKAMOTO
CORPORATION
1907 SOUTH BERETANIA STREET, SUITE 400
HONOLULU, HAWAII 96826

1907 South Beretania Street, Suite 400
Honolulu, Hawaii 96826
T (808) 946-2277 F (808) 946-2253
W <http://www.wilsonokamoto.com>

This message contains information that might be confidential and privileged. Unless you are the addressee or are authorized by the sender, you may not use, copy or disclose the information contained in this message. If you have received this message in error, please delete it and advise the sender.

From: Garon Hamasaki [<mailto:GHAMASAKI@hbws.org>]
Sent: Monday, October 15, 2018 1:35 PM
To: Dalton Beauprez <DBeauprez@wilsonokamoto.com>
Cc: Keola Cheng <KCheng@wilsonokamoto.com>
Subject: RE: Request For Comment On 201H Exemptions and Deferrals for the Proposed Ililani Project

Please revise to say deferral until installation of the water meter. Please submit finalized copies to the Manager and Chief Engineer of Board of Water Supply.

From: Dalton Beauprez <DBeauprez@wilsonokamoto.com>
Sent: Monday, October 15, 2018 10:56 AM
To: Garon Hamasaki <GHAMASAKI@hbws.org>
Cc: Keola Cheng <KCheng@wilsonokamoto.com>
Subject: Request For Comment On 201H Exemptions and Deferrals for the Proposed Ililani Project

Hi Garon:

On behalf of Hawaii Housing Finance and Development Corporation (HHFDC), we are seeking BWS's review and comment on a number of exemptions and deferrals requested under Hawaii Revised Statutes (HRS) Section 201H-38 for the proposed Ililani project situated in Kakaako at Tax Map Keys: (1) 2-1-051:011 and 012.

On October 8, 2018, a Second Draft Environmental Assessment (EA) for the subject

EXHIBIT I

EXHIBIT A



HAWAII COMMUNITY
DEVELOPMENT AUTHORITY



David Y. Ige
Governor

John Walter
Chairperson

Gary H. Kamimoto
Interim Executive Director

547 Queen Street
Honolulu, Hawaii
96813

Telephone
(808) 594-0300

Facsimile
(808) 587-0299

E-Mail
contact@hcdwa.org

Website
www.hcdwa.org

June 14, 2018

Mr. Keola Cheng
Wilson Okamoto Corporation
1907 S. Baretania Street, Suite 400
Honolulu, Hawaii 96826

Mr. Cheng:

Re: Draft Environmental Assessment Consultation for the Ililani Mixed-Use Project at Tax Map Keys (TMK): 111 2-1-051-011 and 012

The Hawaii Community Development Authority (HCDA) received your request to review and comment on the Draft Environmental Assessment (Draft EA) for the proposed Ililani mixed-use project (Project). The HCDA supports the affordable housing component of the Project and the selection of a site adjacent to the proposed Civic Center light rail station. Along with our support for the Project to provide more transit-ready affordable units in Kakaako, HCDA offers the following comments for your consideration:

1. We acknowledge that the Project may utilize the Hawaii Revised Statute (HRS), §201H-38 provision granted to affordable housing projects allowing the Project's developer to request exemptions from the requirements of the HRS Chapter 15-217 Mauka Area Rules (Mauka Area Rules) that HCDA administers.

However, we request that you revise the Draft EA's Table 8-1 exemptions to only address specific provisions of the Mauka Area Rules and remove reference to non-relevant or broad rule citations that are not specific to your intended exemptions. For example, the Draft EA's exemption request No. 2, "Maximum Height - Parking Structure" references Mauka Area Rule provisions §15-217-23(a)(6) and §15-217-23(b). These two provisions establish the Pauahi Neighborhood Zone and the neighborhood's associated development standards, which are broad development standards and address more than building height restrictions. The HCDA does not support a blanket Project exemption from all the requirements set forth on the Pauahi Neighborhood Zone and, therefore, requests that you amend Table 8-1 and any other applicable section of the Draft EA to only list specific provisions.

2. After reviewing the Draft EA and the additional drawings provided by the Project's developer, it is HCDA's understanding that the Project will require exemptions from the following Kakaako rules administered by HCDA:
 - a. HRS. Ch. 15-218 Kakaako Reserved Housing Rules, which will exempt the Project from needing to provide reserved housing units:

EXHIBIT J

EXHIBIT A

- b. *Street Front Element Height Range* as established in Figures 1.3(D) and Figure NZ.6(D) of the Mauka Area Rules, which will allow the street front element height to exceed the 65' limit;
- c. *Maximum density (floor area ratio)* as established in Figures NZ.6(D) of the Mauka Area Rules, which will allow the Project's developer to increase the Project's FAR from 3.5 to 8.8;
- d. Mauka Area Rules §15-217-65 *Public Facility Dedication Fee*, which will exempt the Project from having a public facility dedication fee;
- e. Mauka Area Rules §15-217-63(c)(3) *Curb Cuts*, which will allow the Project to have curb cuts closer than twenty-two feet from adjacent properties;
- f. Mauka Area Rules §15-217-59 *Green Building*, which will exempt the Project from needing to achieve the base LEED certification or LEED equivalent;
- g. *Minimum Vertical Clearance for Balcony Front Yard Encroachments* as defined in Figure 1.13-C of the Mauka Area Rules, which will allow balconies for the Project to only have a minimum vertical clearance of 15 feet above the sidewalk;
- h. *Frontage Occupancy at Build to Line* as established in Figure 1.3(C) and Figure NZ.6(C), which will allow the Project's Halekauwila Street frontage to be less than the 60 percent occupancy requirement;
- i. Mauka Area Rules §15-217-56(d), which will exempt the Project from needing to provide fifty-five square feet of recreation space per dwelling unit;
- j. *Parking Placement Zone* as established in Figure 1.10 of the Mauka Area Rules, which will allow the Project to provide one parking stall, designated only for generator fuel delivery, within the forty-foot parking setback; and
- k. Mauka Area Rules §15-217-55(1)(4), which will allow the Project's tower to be located less than 300 feet from any existing adjacent tower's "mauka-makai zone". This exemption was not listed in the Draft EA's Table 8-1, but would be necessary with the proposed design.

EXHIBIT J

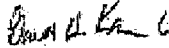
EXHIBIT A

Mr. Keola Cheng
June 14, 2018
Page 3 of 3

3. The Draft EA includes Mānuka Area Rule exemptions from the off-street parking quantity requirement; however, based on the proposed design if the Project utilizes the shared parking provision, then the off-street parking quantity requirement can be met and will not require this exemption.
4. We acknowledge and do not oppose the green building exemption (exemption f, above), however, we request that the Project pursue most of the credits necessary to achieve LEED's base certification or an approved equivalent green building certification. We also request that the Project's developer provide HCDA with the verification documents and sustainability calculations demonstrating compliance with the green building credits the Project intends to achieve.

Thank you for the opportunity to review and provide comments on this Draft EA and if you have questions regarding this matter, please contact Mr. Carson Schultz, AIA at 594-0333.

Sincerely,



Garrett H. Kamemoto
Interim Executive Director

EXHIBIT J

EXHIBIT A



HAWAII COMMUNITY
DEVELOPMENT AUTHORITY



David Y. Ige
Governor

John Whalen
Chairperson

Aedward Los Banos
Executive Director

547 Queen Street
Honolulu, Hawaii
96813

Telephone
(808) 594-0300

Facsimile
(808) 587-0299

E-Mail
contact@hcdaweb.org

Website
www.hcdaweb.org

October 23, 2018

Mr. Keola Cheng
Wilson Okamoto Corporation
1907 S. Beretania Street, Suite 400
Honolulu, Hawaii 96826

Dear Mr. Cheng:

Re: Comments on the Second Draft Environmental Assessment for the
Ililani Mixed-Use Project at Tax Map Keys (TMK): [1] 2-1-051:011
and 012

The Hawaii Community Development Authority (HCDA) acknowledges receipt of Section 8 of the Second Draft Environmental Assessment (Second Draft EA) for the proposed Ililani mixed-use project (Project) and provides the following comments on the Second Draft EA.

1. We acknowledge that the Project may utilize the Hawaii Revised Statutes (HRS), §201H-38 provision granted to affordable housing projects allowing the Project's developer to request exemptions from the requirements of the HRS Chapter 15-217 Mauka Area Rules (Mauka Area Rules) that HCDA administers.
2. After reviewing the Second Draft EA, it is HCDA's understanding that the Project will be requesting exemptions from the following Kakaako rules administered by HCDA:
 - a. HRS. Ch. 15-218 Kakaako Reserved Housing Rules, which will exempt the Project from needing to provide reserved housing units;
 - b. *Street Front Element Height Range* as established in Figures 1.3(D) and Figure NZ.6(D) of the Mauka Area Rules, which will allow the street front element height to exceed the 65' limit;
 - c. *Maximum density (floor area ratio)* as established in Figures NZ.6(D) of the Mauka Area Rules, which will allow the Project's developer to increase the Project's FAR from 3.5 to 8.8;

EXHIBIT J

EXHIBIT A

- d. Mauka Area Rules §15-217-65 *Public Facility Dedication Fee*, which will exempt the Project from having a public facility dedication fee;
 - e. Mauka Area Rules §15-217-63(c)(3) *Curb Cuts*, which will allow the Project to have curb cuts closer than twenty-two feet from adjacent properties;
 - f. Mauka Area Rules §15-217-59 *Green Building*, which will exempt the Project from needing to achieve the base LEED certification or LEED equivalent;
 - g. *Minimum Vertical Clearance for Balcony Front Yard Encroachments* as defined in Figure 1.13-C of the Mauka Area Rules, which will allow balconies for the Project to only have a minimum vertical clearance of 15 feet above the sidewalk;
 - h. *Frontage Occupancy at Build to Line* as established in Figure 1.3(C) and Figure NZ.6(C), which will allow the Project's Halekauwila Street frontage to be less than the 60 percent occupancy requirement;
 - i. Mauka Area Rules §15-217-56(d), which will exempt the Project from needing to provide fifty-five square feet of recreation space per dwelling unit;
 - j. *Parking Placement Zone* as established in Figure 1.10 of the Mauka Area Rules, which will allow the Project to provide one parking stall, designated only for generator fuel delivery, within the forty-foot parking setback; and
 - k. Mauka Area Rules §15-217-55(1)(4), which will allow the Project's tower to be located less than 300 feet from any existing adjacent tower's "mauka-makai zone". In Table 8-1 of the Second Draft EA it states that "HCDA has to date already accepted the South Street axis tower separation as being compliant with the Mauka Rules". Please be advised that at this time HCDA has not accepted any part of the Project as being compliant with our Rules. HCDA acceptance of Mauka Area Rule compliance is completed as a part of the Development Permit approval. Please remove this language and any similar language from the exemption request.
3. The Second Draft EA includes Mauka Area Rule exemptions from the off-street parking quantity requirement; however, if the Project utilizes the

EXHIBIT J

EXHIBIT A

Mr. Keola Cheng
October 23, 2018
Page 3 of 3

shared parking provision, then the off-street parking quantity requirement can be met and may not require this exemption. Please reevaluate this request.

4. We note that Section 4.3 of the Second Draft EA identifies a Development Permit from the HCDA as one of the permits required for the Project. Please consult Hawaii Administrative Rules Chapter 15-217 and Hawaii Revised Statutes §206E-5.6 for the Development permit application requirement and approval process.

Thank you for the opportunity to review and provide comments on this Second Draft EA. If you have questions regarding this matter, please contact Mr. Carson Schultz at 594-0333.

Sincerely,



for Aedward Los Banos
Executive Director

EXHIBIT J

EXHIBIT A

DB

DEPARTMENT OF ENVIRONMENTAL SERVICES
CITY AND COUNTY OF HONOLULU

1000 ULUOHIA STREET, SUITE 308, KAPOLEI, HAWAII 96707
TELEPHONE: (808) 768-3486 • FAX: (808) 768-3487 • WEBSITE: <http://envhonolulu.org>

KIRK CALDWELL
MAYOR



LORI M.K. KAHIKINA, P.E.
DIRECTOR

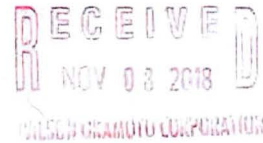
TIMOTHY A. HOUGHTON
DEPUTY DIRECTOR

ROSS S. TANIMOTO, P.E.
DEPUTY DIRECTOR

IN REPLY REFER TO
PRO 18-074

November 7, 2018

Mr. Dalton Beauprez, Planner
Wilson Okamoto Corporation
1907 S. Beretania Street, Suite 400
Honolulu, Hawaii 96826



Dear Mr. Beauprez:

**SUBJECT: Requesting Comments on the Exemptions and Deferrals
Requested under Hawai'i Revised Statutes (HRS) Section
201H-38 for the Proposed Ililani Project**

We have reviewed your letter dated October 11, 2018, in regards to the above subject, and we have no objections to the request for deferral of wastewater system facility charges until issuance of the certificate of occupancy.

Should you have any questions, please call Michael O'Keefe, Executive Assistant II, at (808)768-3475.

Sincerely,

Ross S. Tanimoto
Lori M.K. Kahikina, P.E.
Director

EXHIBIT K

EXHIBIT A



RESOLUTION

AUTHORIZING EXEMPTIONS FROM CERTAIN REQUIREMENTS RELATING TO ILILANI AFFORDABLE AND MARKET RATE CONDOMINIUM PROJECT LOCATED AT 615 KEAWE STREET AND 690 HALEKAUWILA STREET, HONOLULU, HAWAII, TAX MAP KEYS: (1)2-1-051:011 AND 012.

WHEREAS, Ililani, LLC ("Applicant"), with the approval of the Hawaii Housing Finance and Development Corporation ("HHFDC") proposes to develop Ililani, a for-sale high-rise residential condominium tower and free-standing parking garage on a 0.77 acre parcel of land located at 615 Keawe Street and 690 Halekauwila Street in Honolulu, Oahu, identified as Tax Map Key (1) 2-1-051: 011 and 012 (the "Project"); and

WHEREAS, the Project is within the Kakaako Community Development District, which is under the planning and zoning jurisdiction of the Hawaii Community Development Authority ("HCDA"), pursuant to Chapter 206E, Hawaii Revised Statutes; and

WHEREAS, the proposed 42-story residential tower will contain 328 residential units, of which 165 units (50 percent plus one unit of the total units) will be offered to households earning between 80 percent and below and 140 percent of the area median income ("AMI") for Honolulu; 163 units (49.7 percent of the total units) will be offered at market rates; and

WHEREAS, the affordable residential units are proposed to be offered as follows: 33 units to households earning 80 percent and below of the AMI; 33 units to households earning between 81 percent and 100 percent of the AMI; 50 units to households earning between 101 percent and 120 percent of the AMI; and 49 units to households earning between 121 percent and 140 percent of the AMI; and

WHEREAS, the affordable residential units will consist of 131 one-bedroom units and 34 two-bedroom units; and

WHEREAS, the Project will also offer bicycle storage facilities, approximately 6,297 square feet of commercial space, an 8-story parking garage with 395 parking stalls and requisite loading spaces, approximately 3,367 square feet of onsite interior recreation space, and an approximately 13,381 square-foot elevated recreation deck on the rooftop of the parking garage; and



RESOLUTION

WHEREAS, the Project will help address the critical need for affordably priced for-sale housing within Honolulu's urban core in a central Honolulu location, in convenient proximity to employment centers, health care and family services, educational facilities, shopping and dining opportunities, public parks, entertainment facilities, and multiple public transportation modes (the Project will be within approximately 130 yards of the planned Honolulu Authority for Rapid Transportation ("HART") rail transit station); and

WHEREAS, the exemptions requested by the Applicant include exemptions from the HCDA's planning and zoning requirements, and waiver or deferral of the City's fee requirements; and

WHEREAS, on February 14, 2019, the HHFDC Board of Directors approved the Project with the proposed exemptions; and

WHEREAS, the City Council is empowered and authorized to approve the Project, which may include exemptions from statutes, ordinances, charter provisions, and rules of any government agency relating to planning, zoning, construction standards for subdivision, development and improvement of the land, and the construction of units thereon pursuant to Section 201 H-38 of the Hawaii Revised Statutes ("HRS"); and

WHEREAS, the Council has reviewed the preliminary plans and outline specifications for the Project dated February 14, 2019, prepared by the Applicant, and submitted to the Council by the HHFDC; and

WHEREAS, the Project is consistent with the housing and community development goals and objectives of the City, and

WHEREAS, the granting of the exemptions is necessary for the timely and successful implementation of the Project; and

WHEREAS, the requested exemptions meet minimum requirements of health and safety; and

WHEREAS, the Project does not contravene any safety standards, tariffs, or rates/fees approved by the Public Utilities Commission or the Board of Water Supply; now, therefore,



RESOLUTION

BE IT RESOLVED by the Council of the City and County of Honolulu that it approves the Project, which approval includes exemptions from certain requirements for the Project, as set forth in the preliminary plans and specifications for the Project, as follows:

Application Fees and Infrastructure and/or Public Works Fees and Charges

1. Exemption from Section 18-6.1 of the Revised Ordinances of Honolulu 1990 ("ROH"), to allow an exemption from payment of plan review fees, estimated at \$25,000.
2. Exemption from ROH Section 18-6.2, to allow an exemption from payment of building permit fees, estimated at \$445,000.
3. Exemption from ROH Section 14-10.1, 14-10.2, and 14-10.3 to allow a deferral of payment of wastewater system facility charges until issuance of a Certificate of Occupancy, estimated at \$2,197,174.

Board of Water Supply ("BWS") Rules and Regulations

4. Exemption from BWS Rules and Regulations (2010) Section 1-102, to allow a deferral from payment of water system facilities charges until installation of the water meter, estimated at \$604,899.

Land Use Ordinance ("LUO")

5. With respect to land uses and development standards, the Project is under the jurisdiction of the HCDA; therefore, no exemptions from the Land Use Ordinance, ROH Chapter 21, are needed; and

BE IT FURTHER RESOLVED that as used in this resolution:

- A. References to the HHFDC include any successor agency; and
- B. References to the HCDA include any successor agency; and
- C. References to specific statutes, ordinances, or regulations include any respective successor statutes, ordinances or regulations; and



CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

No. 19-61

RESOLUTION

BE IT FURTHER RESOLVED that this resolution is null and void unless construction of the Project commences no later than 24 months after the effective date of this resolution; and

BE IT FURTHER RESOLVED that the exemptions granted for this Project are not transferable to any other real property; and

BE IT FURTHER RESOLVED that the final plans and specifications for the Project are approved if those plans and specifications do not substantially deviate from the preliminary plans and specifications submitted to the Council; provided that minor modifications to the design character of the building or landscaping, may be approved by the HHFDC and HCDA if such modifications are consistent with the prevailing neighborhood character; and

BE IT FURTHER RESOLVED that no action may be prosecuted or maintained against the City and County of Honolulu, its officials or employees, on account of the actions taken by them in reviewing or approving the plans and specifications, or in granting the exemptions listed herein; and



CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

No. 19-61

RESOLUTION

BE IT FINALLY RESOLVED that copies of this resolution be transmitted to the Hawaii Housing Finance and Development Corporation, 677 Queen Street, Suite 300, Honolulu, Hawaii 96813, and Ililani, LLC, 1860 Ala Moana Boulevard, Suite 1000, Honolulu, Hawaii 96815.

INTRODUCED BY:

Ami K. Reynolds (B/R)

DATE OF INTRODUCTION:

MAR 12 2019

Honolulu, Hawaii

Councilmembers

CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII
CERTIFICATE

RESOLUTION 19-61

Introduced: 03/12/19 By: ANN KOBAYASHI – BY REQUEST Committee: ZONING AND HOUSING

Title: RESOLUTION AUTHORIZING EXEMPTIONS FROM CERTAIN REQUIREMENTS RELATING TO ILILANI AFFORDABLE AND MARKET RATE CONDOMINIUM PROJECT LOCATED AT 615 KEAWE STREET AND 690 HALEKAUWILA STREET, HONOLULU, HAWAII, TAX MAP KEYS: (1)2-1-051:011 AND 012.


Voting Legend: * = Aye w/Reservations

| | | |
|----------|--------------------|--|
| 03/28/19 | ZONING AND HOUSING | CR-99 – RESOLUTION REPORTED OUT OF COMMITTEE FOR ADOPTION. |
| 04/17/19 | COUNCIL | CR-99 AND RESOLUTION 19-61 WERE ADOPTED. 9 AYES: ANDERSON, ELEFANTE, FORMBY, FUKUNAGA, KOBAYASHI, MANAHAN, MENOR, PINE, TSUNEYOSHI. |

I hereby certify that the above is a true record of action by the Council of the City and County of Honolulu on this RESOLUTION.



GLEN I. TAKAHASHI, CITY CLERK



ANN H. KOBAYASHI, INTERIM CHAIR AND PRESIDING OFFICER

EXHIBIT B

May 26, 2020

RECEIVED
HAWAII HOUSING FINANCE
DEVELOPMENT CORP
2020 MAY 26 P 4:03

Ms. Denise Iseri-Matsubara
Executive Director, Hawaii Housing Finance and
Development Corporation
677 Queen Street
Honolulu, Hawaii 96813

Re: Ililani Condominium Project - 615 Keawe Street, Honolulu, Oahu TMK No. 2-3-51:11
and 12

Dear Ms. Iseri-Matsubara:

I write on behalf of Ililani, LLC, developer of the Ililani condominium project ("Project") under Hawaii Housing Finance and Development Corporation ("HHFDC") Development Agreement dated June 21, 2019. The HHFDC Board had approved certification of the Project and exemptions from certain statutes, ordinances and rules on February 14, 2020.

Ililani, LLC commenced sales and qualification of affordable purchasers in February 2020, shortly before the outbreak of the COVID-19 pandemic. Economic disruption notwithstanding, Ililani, LLC has signed binding sales contracts with 95 qualified purchasers of affordable priced units and 6 purchasers of market priced units. Ililani, LLC requires additional presales in order to receive funding from its construction lender and commence construction. Ililani, LLC believes several changes to the Project are necessary in order to stimulate sales. Thus Ililani, LLC desires to make two changes to the Project that will require HHFDC Board approval:

- First, Ililani, LLC desires to reprice and offer 32 units as affordable priced units rather than market priced units, for a total of 60% affordable units, almost half of these units priced to be affordable to households whose incomes are in the 100% to 120% of annual median income range. This change would qualify the Project for an exemption from general excise tax under Section 15-306-14, HAR, and an exemption from rather than a deferral of water system facilities charges and wastewater system facility charges. Ililani, LLC intends to pass the savings on to buyers as the savings from the GET, water and wastewater exemptions are necessary to partially offset the reduction in sales proceeds.

- Second, Ililani, LLC desires to add an additional floor containing 56 parking stalls to the parking structure. A majority of potential purchasers of market priced 2-bedroom units have expressed a preference to purchase units with two parking stalls.

1. Repricing. Ililani, LLC has experienced greater strength in the pool of affordable purchasers, rather than in purchasers of market priced units. Ililani, LLC believes the Project will still be financially feasible, albeit with reduced profitability, notwithstanding price

reductions to increase affordability as long as the Project is afforded an exemptions from general excise tax under Section 15-306-14, HAR, and exemptions from water system facilities charge and wastewater system facility charge which HHFDC has been granting to projects offering 60% affordable units. In this manner Ililani, LLC can pass savings from the exemptions on to purchasers. An analysis of financial feasibility follows.

2. Additional Parking. The project as designed aggressively relied on a car-sharing program to accommodate unit owners' second car needs. With the required implementation of COVID-19 pandemic protection measures this program may not be as effective or attractive in the future. In addition many potential purchasers of 2 bedroom units have expressed a desire to purchase two parking spaces, and have declined to purchase a unit because of a shortage of apartments with two parking spaces. Ililani, LLC believes it must offer additional parking spaces to be competitive in the marketplace. Given the constraints of the site the only way to add additional parking is to add another floor to the parking structure. While adding another floor to the parking structure will require a further exemption to Mauka Area Rules Figure 1.3(D); Figure NZ.6(D) (65' Street Front Element Height limit) regarding the maximum height of the parking structure, the Project will have 466 parking spaces and will no longer require an exemption from Mauka Area Rules 15-217- 63(e); 15-217-63(f); Figure 1.10-A (398 parking stalls required)

3. Project Feasibility. The estimated reduction in sales revenue resulting from the proposed reduction in sales prices is approximately \$6.2 million. The estimated construction cost of the additional parking deck plus increased costs due to construction delays is estimated to be approximately \$1.3 million. The combination of a reduction in revenue and increased costs would be approximately \$7.5 million.

The amount of the proposed general excise tax exemption is approximately \$4,300,000. The amount of the proposed exemption from the water system facilities charge is approximately \$604,899 and the amount of the exemption from the proposed wastewater system facility charge is approximately \$1,600,000. The total amount of the projected cost savings resulting from the new exemptions is approximately \$6.5 million, resulting in net additional Project costs of \$1.0 million. This additional cost of \$1.0 million is still within the construction lender's allowable loan to cost ratio.

An affordable buyer pays a 5% deposit while a market priced buyer pays a 15% deposit. Increasing the number of affordable units by 32 will result in a decrease in buyer deposits available to be used for construction costs from previously estimated \$11.0 million to approximately \$8.8 million. The reduced deposit amount must be replaced by additional developer's equity.

However, without the exemptions the Project is no longer feasible, and the developer may have no alternative but to delay the Project until the COVID-19 pandemic is clearly over and Hawaii's economy has been restored.

Despite an increase in costs and a decrease in anticipated revenues Ililani, LLC believes the proposed changes to the Project will stimulate sales sufficiently to meet the construction lender's loan to value ratio and pre-sale requirements. Ililani, LLC believes these changes are essential prerequisites to keep the Project moving forward, With the proposed exemptions, it

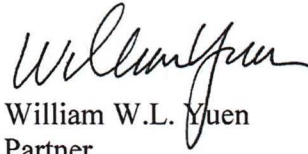
will still be feasible for Ililani, LLC to proceed with the Project. Hence we request HHFDC's support.

4. Attachments. We are attaching a draft of proposed revisions to the For Action of February 14, 2019 to assist you in presenting this request to the HHFDC Board. We have also revised descriptions of proposed exemptions to HCDA rules and City and County of Honolulu ordinances for your consideration. The revisions to the plans for the parking structure are being prepared, and we will forward them to you separately when they are completed. We would like to have this request considered at your June 18, 2020 meeting.

Please feel free to contact me if you have questions.

Sincerely,

Dentons US LLP



William W.L. Yuen
Partner

Attachments

cc: Ililani, LLC

City Exemptions and Deferrals

EXHIBIT C

| Development Standard or Requirement | Relevant Rule(s)/Applicable | Proposed Project Standard | Requested Exemption/Rationale | Est. Fee | Agency Comments | Developer's Response | Recommendation |
|--|---|--|---|-------------|---|--|----------------|
| 14. Building Permit Fees NO CHANGE | ROH §18-6.2 | Exemption. | Request exemption from Building Permit Fee. This exemption is required to maintain project feasibility. | \$445,000 | DPP does not object to this request. | Acknowledged in response letter that the DPP has no objection to requested fee exemption. | Approval* |
| 15. Plan Review Fees NO CHANGE | ROH §18-6.1 | Exemption. | Request exemption from Plan Review Fees. This exemption is required to maintain project feasibility. | \$25,000 | DPP does not object to this request. | Acknowledged in response letter that the DPP has no objection to requested fee exemption. | Approval* |
| 16. Wastewater System Facility Charge REVISED | ROH §14-10.1; 14-10.2; and 14-10.3 | Partial Exemption (formerly Deferral). | Request exemption rather than deferral of Wastewater System Facility Charge. With the reduction in sales price of 95 units, this exemption is required to maintain project feasibility. | \$1,519,033 | DPP and City Department of Environmental Services (ENV) did not object to fee deferral until issuance of Certificate of Occupancy, ENV has no objection to exemption from Wastewater System Facility Charge for affordable units. | Exemption of 60% of fee - \$911,420. Deferral of 40% of fee - \$607,614. | Approval* |
| 17. Water System Facilities Charges REVISED | BWS Rules & Regulations (2010) Sec. 1-102 | Partial Exemption (formerly Deferral). | Request exemption rather than deferral of Water System Facilities Charge. With the reduction in sales price of 95 units, this exemption is required to maintain project feasibility. | \$844,018 | DPP and the Board of Water Supply (BWS), did not object to this fee deferral until installation of the water meter, BWS may waive Water System Facilities Charge for affordable units during building permit process. | Awaiting response from DPP and BWS to request for exemption of up to 60% of fee - \$506,411. Deferral of \$337,607. | Approval* |

*Except for the exemptions recommended for approval, Developer will comply with all other statutes, ordinances, and rules of the City and County of Honolulu.

HCDA Exemptions

| Development Standard or Requirement | Relevant Rule(s)/Applicable | Proposed Project Standard | Requested Exemption/Rationale | Est. Fee | Agency Comments | Developer's Response | Recommendation |
|---|--|--|--|----------|--|--|----------------|
| 1. Reserved Housing NO CHANGE | Kakaako Reserved Housing Rules (Chapter 15-218). 20% Reserved Housing | Exemption. The project will instead comply with all applicable HHFDC requirements and restrictions pertaining to sale of affordable housing units. | Request exemption from reserved housing rules. HHFDC's 201H rule provides more affordable housing than the HCDA 20% Reserved Housing. HHFDC 201H rules are feasible for our project while additional compliance with HCDA 20% Reserved Housing related rules would render the project infeasible. | NA | HCDA supports the affordable housing component of the project and provided favorable comments. HCDA understands that the Project has requested exemption from HRS. Ch. 15-218 Kakaako Reserved Housing Rules, to exempt the Project from providing reserved housing units. | Acknowledged HCDA comments with response letter. | Approval* |
| 2. Maximum Height - Parking Structure REVISED | Mauka Area Rules Figure 1.3(D); Figure NZ.6(D) (65' Street Front Element Height limit) | 85' (formerly 76') at Street Front, 88' (formerly 78.5') at roof deck 45' set back from street front. | Request exemption from 65' height limit (Parking structure height will be about 88'). Approximately 85' of parking street frontage height along Halekauwila Street is needed to provide an additional floor of parking. Project will have one parking space per 1-bedroom housing unit and two parking spaces for 102 2-bedroom housing units. Remaining 2-bedroom units will have one parking space. This exemption is required to provide sufficient off-street parking. | NA | HCDA supports the affordable housing component of the project and provided favorable comments. HCDA understands that the Project has requested exemption from <i>Street Front Element Height Range</i> as established by Figures 1.3D and NZ.6(D) of the Mauka Area Rules, to allow the street front element height to exceed the 65' limit. | Acknowledged HCDA comments with response letter. | Approval* |
| 3. Density - FAR NO CHANGE | Mauka Area Rules Figure 1.3(D); Figure NZ.6(D) (Maximum Density (FAR) is 3.5) | 8.8. FAR | Request exemption from 3.5 maximum FAR (Building FAR to be approx. 8.8). This exemption and proposed project FAR is required for economic feasibility of the project. | NA | HCDA supports the affordable housing component of the project and provided favorable comments. HCDA understands that the Project has requested exemption from Maximum density (<i>floor area ratio</i>) as established in Figures NZ.6(D) Mauka Area Rules, to allow the Developer to increase the Project's FAR from 3.5 to 8.8. | Acknowledged HCDA comments with response letter. | Approval* |

EXHIBIT C

| Development Standard or Requirement | Relevant Rule(s)/Applicable | Proposed Project Standard | Requested Exemption/Rationale | Est. Fee | Agency Comments | Developer's Response | Recommendation |
|---|--|---|---|-----------|--|--|----------------|
| EXHIBIT D | | | | | | | |
| 4. Public Facilities Dedication Fee NO CHANGE | Mauka Area Rules §15-217-65 (land dedication or fee payment) | No land dedication or fee payment. | Exemption from land dedication and fee payment. This exemption is required for economic feasibility of the project. | \$320,000 | HCDA supports the affordable housing component of the project and provided favorable comments. HCDA understands that the Project has requested exemption from Mauka Area Rules §15-217-65 <i>Public Facility Dedication Fee</i> , to exempt the Project from paying a public facility dedication fee. | Acknowledged HCDA comments with response letter. | Approval* |
| 5. Curb Cuts NO CHANGE | Mauka Area Rules §15-217-63(c)3 (Curb cut to be minimum 22' from adjacent property) | Halekauwila curb cuts (2) will be less than 22' feet from adjacent properties, compliant with City and County standards for location, design and ADA accessibility. | Request exemption from 22' minimum curb cut setback requirement (Halekauwila curb cuts (2) will be less than 22' from adjacent properties). The proposed driveway aprons will meet City and County standards for location, design and ADA accessibility. Adequate site distance will be provided for vehicles exiting the driveway, so driveways will not pose a safety risk. This proposed exemption is required for truck and car turning radii entering and exiting parking structure. | NA | HCDA supports the affordable housing component of the project and provided favorable comments. HCDA understands that the Project has requested exemption from Mauka Area Rules §15-217-63(c)3 <i>Curb Cuts</i> , to allow the Project to have curb cuts closer than 22 feet from adjacent properties. | Acknowledged HCDA comments with response letter. | Approval* |
| 6. LEED NO CHANGE | Mauka Area Rules §15-217-59 (HCDA staff anticipates LEED new construction v. 4 compliance) | Substantial but incomplete LEED compliance. | Request exemption from compliance with LEED, however, Project will incorporate LEED standards where feasible. This exemption is required for economic feasibility of the project. | NA | HCDA supports the affordable housing component of the project and provided favorable comments. HCDA understands that the Project has requested exemption from Mauka Area Rules §15-217-59 <i>Green Building</i> , to exempt the Project from having to achieve the base LEED certification or LEED equivalent. | Acknowledged HCDA comments with response letter. | Approval* |

EXHIBIT C

| Development Standard or Requirement | Relevant Rule(s)/Applicable | Proposed Project Standard | Requested Exemption/Rationale | Est. Fee | Agency Comments | Developer's Response | Recommendation |
|---|--|---|---|----------|---|---|----------------|
| 7. Projections beyond build-to line NO CHANGE | Mauka Area Rules Figure 1.13-C; (21' min. vertical clearance and 8' max. horizontal clearance) | 2nd floor balconies will project about 5' beyond the build-to line 15' above Lobby level. | Request exemption from projections beyond build-to line limitations (2nd floor balconies will project about 5' beyond the build-to line), 15' above Lobby level. The balconies are necessary for locating air conditioning condenser units for the 2nd floor residential units and will improve quality of life for the residents compared to not having balconies. | NA | HCDA supports the affordable housing component of the project and provided favorable comments. HCDA understands that the Project has requested exemption from <i>Minimum Vertical Clearance for Balcony Front Yard Encroachments</i> as defined in Figure 1.13-C of the Mauka Area Rules, to allow balconies for the Project to only have a minimum vertical clearance of 15 feet above the sidewalk. | Acknowledged HCDA comments with response letter. | Approval* |
| 8. Off-Street Parking REVISED | Mauka Area Rules 15-217-63(e); 15-217-63(f); Figure 1.10-A (398 parking stalls required) | 466 parking stalls will be provided, of which 46 are tandem rear stalls. | Previously requested exemption from the off-street parking requirements because sufficient shared parking would be provided using the 0.83 shared parking ratio. In addition, the project will be one block from a proposed HART station. This exemption is no longer needed if HHFDC approves addition of an additional floor to the parking structure§. | NA | HCDA supports the affordable housing component of the project and provided favorable comments. HCDA understands that the Project has requested exemption from the off-street parking quantity requirement; however, if the Project utilizes the shared parking provision, then the off-street parking quantity requirement can be met and may not require this exemption. | Acknowledged HCDA comments with response letter stating that Ililani is electing to request the exemption relating to the off-street parking quantity requirement, out of an abundance of caution pending approval of the Project by HHFDC. | Approval* |
| 9. Frontage Occupancy at Build-to Line NO CHANGE | Mauka Area Rules Figure 1.3(C); Figure NZ.6(C) (60% minimum frontage occupancy at build-to line) | 49% average occupied frontage. | Request exemption from 60% minimum frontage occupancy at build-to line on Halekauwila St. (Halekauwila frontage occupancy will be approximately 49%). This exemption is needed to provide adequate parking ingress and egress. | NA | HCDA supports the affordable housing component of the project and provided favorable comments. HCDA understands that the Project has requested exemption from <i>Frontage Occupancy at Build to Line</i> as established in Figure 1.3(C) and Figure NZ.6(C) of the Mauka Area Rules, to allow the Project's Halekauwila Street frontage to be less than the 60 percent occupancy requirement. | Acknowledged HCDA comments with response letter. | Approval* |

EXHIBIT C

| Development Standard or Requirement | Relevant Rule(s)/Applicable | Proposed Project Standard | Requested Exemption/Rationale | Est. Fee | Agency Comments | Developer's Response | Recommendation |
|--|---|--|--|----------|--|--|----------------|
| 10. Parking Setback 40 Feet from Parcel Line NO CHANGE | Mauka Area Rules Figure 1.10; Parking setback is 40 feet from the parcel line | Open to sky monthly or quarterly emergency power refueling truck location at the parcel line (0-foot setback). | Request exemption from parking setback 40 feet from parcel line on Halekauwila St. This exemption is needed to provide open to sky emergency power refueling truck location. This provision meets City & County of Honolulu codes and is safe. One parking stall, designated only for generator fuel delivery, will be located at the Halekauwila property line (0 ft. setback). | NA | HCDA supports the affordable housing component of the project and provided favorable comments. HCDA understands that the Project has requested exemption from <i>Parking Placement Zone</i> as established in Figure 1.10 of the Mauka Area Rules, to allow the Project to provide one parking stall, designated only for generator fuel delivery, within the 40-foot parking setback. | Acknowledged HCDA comments with response letter. | Approval* |
| 11. Recreation Space NO CHANGE | Mauka Area Rules §15-217-56(d) (Residential projects . . . shall provide 55 sq. ft. of recreation space per dwelling unit.) | 18,040 sq. ft. of recreation space is required. Project design provides 16,748 sq. ft. due to budget, building envelope constraints, and small lot size. | Request exemption from the recreation space requirement. Approximately 16,748 sq. ft. of recreation space will be provided. This exemption is required to maintain project feasibility. | NA | HCDA supports the affordable housing component of the project and provided favorable comments. HCDA understands that the Project has requested exemption from Mauka Area Rules §15-217-56(d), to exempt the Project from providing 55 sq. ft. of recreation space per dwelling unit. | Acknowledged HCDA comments with response letter. | Approval* |
| 12. Mauka-Makai Zone NO CHANGE | Mauka Area Rules §15-217-55(1)(4) (Minimum 300' from existing tower) | Ililani's tower may be less than 300' from an existing adjacent tower's "mauka-makai zone" if an alternate axis interpretation is used | Request exemption from the 300' minimum tower separation. Ililani's tower is approximately 187' from an existing adjacent tower, but will not be within 300' of that tower's Mauka-Makai Zone. This exemption covers alternate axis interpretation of the nearest tower being 187' away. This exemption is required for economic feasibility of the project. | NA | HCDA supports the affordable housing component of the project and provided favorable comments. HCDA understands that the Project has requested exemption from Mauka Area Rules §15-217-55(1)(4), to allow the Project's tower to be located less than 300 feet from any existing adjacent tower's "mauka-makai zone". HCDA acceptance of Mauka Area Rule compliance is completed as a part of the Development Permit Approval. | Acknowledged HCDA comments with response letter. | Approval* |

EXHIBIT C

| Development Standard or Requirement | Relevant Rule(s)/Applicable | Proposed Project Standard | Requested Exemption/Rationale | Est. Fee | Agency Comments | Developer's Response | Recommendation |
|---|--|---------------------------|---|----------|---|--|----------------|
| 13. HCDA Development Permit NO CHANGE | Mauka Area Rules 15-217- 80; Improvement and Development Permits | HCDA Development Permit | Request exemption from HCDA Development Permit requirement. This exemption is required to maintain project feasibility. | NA | HCDA supports the affordable housing component of the project and provided favorable comments. HCDA notes that Section 4.3 of the Second Draft EA identifies a Development Permit from the HCDA as one of the permits required for the Project. HCDA states to consult HAR 15-217 and HRS 206E-5.6 for the Development Permit application requirement and approval process. | Acknowledged HCDA comments with response letter. Response letter states that Ililani, LLC is accepting HCDA staff suggestion to apply for an exemption from the HCDA Development Permit required under HAR 15-217- 80. HCDA staff informed Developer that HCDA staff issues a Development Permit for 201H projects and not the HCDA Board. | Approval* |

*Except for the exemptions/deferrals recommended for approval, Developer will comply with all other statutes, ordinances, and rules of the Hawaii Community Development Authority (HCDA).

May 13, 2020

Via email: Ksokugawa@honolulu.gov
Ms. Kathy K. Sokugawa
Director, Department of Planning and Permitting
City and County of Honolulu
650 South King Street
Honolulu, Hawaii 96813

Re: Ililani Condominium Project - 615 Keawe Street, Honolulu, Oahu TMK No. 2-3-51:11
and 12

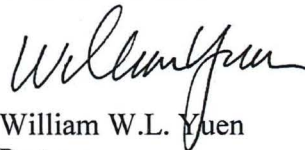
Dear Ms. Sokugawa:

I write on behalf of Ililani, LLC, developer of the Ililani condominium project (“Project”), a 328 unit affordable tower to be built at 615 Keawe Street in Kakaako. The Project is being developed with Hawai‘i Housing Finance and Development Corporation (“HHFDC”) under HRS Section 201H-38. Fifty percent plus one of the units were originally to be offered for sale at prices affordable to buyers earning less than 140% of Honolulu’s annual median income. For this reason the Department of Planning and Permitting (“DPP”) stated in a letter dated November 2, 2018, that DPP had no objection to a deferral of the wastewater system facility charge, estimated to be approximately \$2,197,000, and the water system facilities charge, estimated to be approximately \$604,899, until issuance of the certificate of occupancy.

Due to changing economic conditions Ililani, LLC now desires to offer 60 % of the units for sale at prices affordable to buyers earning less than 140% of Honolulu’s annual median income. Projects with that level of affordable pricing are eligible for a waiver rather than a deferral of the wastewater system facility charge and the water system facilities charge. Ililani, LLC requests DPP’s support for the granting of a waiver of the wastewater system facility charge and the water system facilities charge by HHFDC and the City Council. If possible we would like an answer by May 29, 2020.

Please feel free to contact me if you have questions.

Sincerely,
Dentons US LLP



William W.L. Yuen
Partner

Cc: Ililani, LLC

May 13, 2020

Via email: thoughton@honolulu.gov
Mr. Timothy A. Houghton
Deputy Director, Department of Environmental
Services
City and County of Honolulu, Kapolei Hale
1000 Uluohia Street, Suite 308
Kapolei, Hawaii 96707

Re: Ililani Condominium Project - 615 Keawe Street, Honolulu, Oahu TMK No. 2-3-51:11
and 12

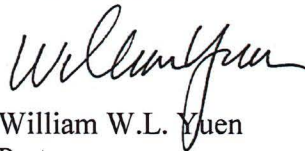
Dear Mr. Houghton:

I write on behalf of Ililani, LLC, developer of the Ililani condominium project ("Project"), a 328 unit affordable tower to be built at 615 Keawe Street in Kakaako. The Project is being developed with Hawai'i Housing Finance and Development Corporation ("HHFDC") under HRS Section 201H-38. Fifty percent plus one of the units were originally to be offered for sale at prices affordable to buyers earning less than 140% of Honolulu's annual median income. For this reason the Department of Environmental Services ("ENV") stated in the attached letter dated November 7, 2018, that ENV had no objection to a deferral of the wastewater system facility charge, estimated to be approximately \$2,197,000, until issuance of the certificate of occupancy.

Due to changing economic conditions Ililani, LLC now desires to offer 60 % of the units for sale at prices affordable to buyers earning less than 140% of Honolulu's annual median income. Projects with that level of affordable pricing are eligible for a waiver rather than a deferral of the wastewater system facility charge. Ililani, LLC requests ENV's support for the granting of a waiver of the wastewater system facility charge by HHFDC and the City Council. If possible we would like an answer by May 29, 2020.

Please feel free to contact me if you have questions.

Sincerely,
Dentons US LLP



William W.L. Yuen
Partner

Cc: Ililani, LLC

大成 DENTONS

William W.L. Yuen
Partner

william.yuen@dentons.com
D +1 808 441 6214

Dentons US LLP
1001 Bishop Street
Suite 1800
Honolulu, HI 96813-3689
United States
dentons.com

May 13, 2020

Mr. Ernest Y.W. Lau
Manager and Chief Engineer
Board of Water Supply, City and County of
Honolulu
630 South Beretania Street
Honolulu, Hawaii 96813

Re: Ililani Condominium Project - 615 Keawe Street, Honolulu, Oahu TMK No. 2-3-51:11
and 12

Dear Mr. Lau:

I write on behalf of Ililani, LLC, developer of the Ililani condominium project (“Project”), a 328 unit affordable tower to be built at 615 Keawe Street in Kakaako. The Project is being developed with Hawai‘i Housing Finance and Development Corporation (“HHFDC”) under HRS Section 201H-38. Fifty percent plus one of the units were originally to be offered for sale at prices affordable to buyers earning less than 140% of Honolulu’s annual median income. For this reason the Board of Water Supply (“BWS”) stated in a letter dated July 9, 2018, that BWS had no objection to a deferral of the water system facilities charge, estimated to be approximately \$604,899, until issuance of the certificate of occupancy.

Due to changing economic conditions Ililani, LLC now desires to offer 60 % of the units for sale at prices affordable to buyers earning less than 140% of Honolulu’s annual median income. Projects with that level of affordable pricing are eligible for a waiver rather than a deferral of the wastewater system facility charge. Ililani, LLC requests BWS’s support for the granting of a waiver of the water system facilities charge by HHFDC and the City Council. If possible we would like an answer by May 29, 2020.

Please feel free to contact me if you have questions.

Sincerely,
Dentons US LLP



William W.L. Yuen
Partner

Cc: Ililani, LLC

Lee International ▶ Kensington Swan ▶ Bingham Greenebaum ▶ Cohen & Grigsby ▶ Sayarh & Menjra ▶ Larrain Rencoret ▶ Hamilton Harrison & Mathews ▶ Mardemootoo Balgobin ▶ HPRP ▶ Zain & Co. ▶ Delany Law ▶ Dinner Martin ▶ For more information on the firms that have come together to form Dentons, go to dentons.com/legacyfirms
10112726\000001\114790765\V-1

EXHIBIT C

May 21, 2020

Via email: garett.h.kamemoto@hawaii.govMr. Aedward Los Banos
Executive Director, Hawai'i Community
Development Authority
547 Queen Street
Honolulu, Hawaii 96813Re: Ililani Condominium Project - 615 Keawe Street, Honolulu, Oahu TMK No. 2-3-51:11
and 12

Dear Mr. Los Banos:

I write on behalf of Ililani, LLC, developer of the Ililani condominium project ("Project"), a 328 unit affordable tower to be built at 615 Keawe Street in Kakaako. The Project is being developed with Hawai'i Housing Finance and Development Corporation ("HHFDC") under HRS Section 201H-38. Fifty percent plus one of the units were originally to be offered for sale at prices affordable to buyers earning less than 140% of Honolulu's annual median income. For this reason the Hawai'i Community Development Authority ("HCDA") acknowledged in a letter dated October 2, 2018, that Ililani, LLC would be requesting 12 exemptions from HCDA's Mauka Area Rules. HCDA did not state any objection to HHFDC granting these exemptions.

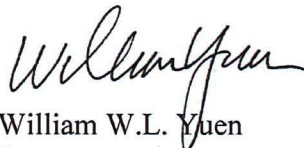
Due to changing economic conditions and prospective buyer preferences, Ililani, LLC now desires to increase to 60% the percentage of units offered for sale at affordable prices, and to add another floor containing 56 parking spaces to its parking structure. Most prospective purchasers of 2-bedroom units have expressed a preference for two parking stalls. The Project will now have 467 parking spaces for 328 residential units and seven commercial units. Adding an additional floor to the parking structure will require amending the exemption from Street Front Element Height Limit (Mauka Area Rules Figure 1.3(D) and Figure NZ.6(D)) of 65 feet from 76 feet to 85 feet elevation at street front. On the other hand if this amended exemption is approved, the Project will no longer require an exemption from Mauka Area Rules § 15-217-63(e) off-street parking quantity requirement.

Ililani, LLC is not proposing to change the Project's floor area ratio, nor any other exemption to the Mauka Area Rules previously granted by the HHFDC Board.

Ililani, LLC requests HCDA's support for amending the previously granted exemption to the Street Front Element Height Limit to increase the height to front of the parking structure to 85 feet. If possible we would like a reply by June 1, 2020.

Please feel free to contact me if you have questions.

Sincerely,
Dentons US LLP



William W.L. Yuen
Partner

Cc: Iilani, LLC

EXHIBIT D

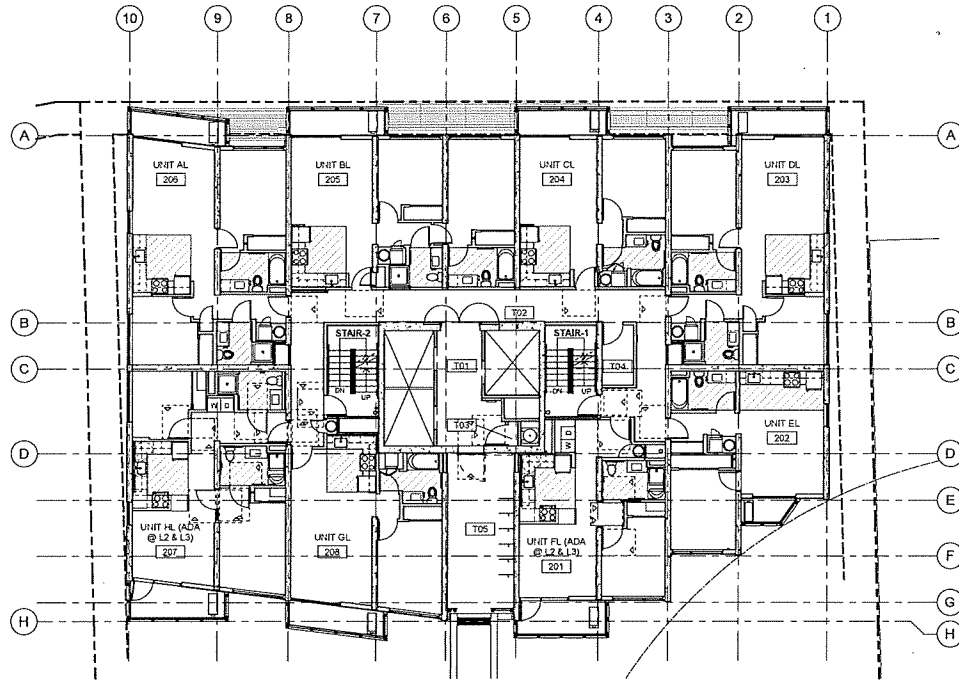
EXHIBIT B

| ILILANI (with Fleet Carshare) - Parking Matrix | | | | | | | | | |
|--|-----------------------|---------|--------|-----|----|-------|----------------|--|------------|
| Floor | Stall Count - Ililani | | | | | | Fleet Carshare | | |
| | | C | T | S | T | H | | | |
| | | | | | | | | S.F. | Recreation |
| GR | 26 | 8 | 0 | 16 | 3 | 2 | | 20,891.9 | |
| 2A | 0 | 0 | | 0 | | 0 | | 159.8 | 3,366.6 |
| 2B | 34 | 11 | 2 | 22 | 7 | 1 | 10 | 12,343.9 | |
| 3A + 3B | 55 | 23 | 1 | 31 | 6 | 1 | | 19,929.9 | |
| 4A + 4B | 56 | 22 | 1 | 33 | 6 | 1 | | 19,929.9 | |
| 5A + 5B | 56 | 22 | 1 | 33 | 6 | 1 | | 19,929.9 | |
| 6A + 6B | 56 | 22 | 1 | 33 | 6 | 1 | | 19,929.9 | |
| 7A + 7B | 56 | 22 | 1 | 33 | 6 | 1 | | 19,929.9 | |
| 8A + 8B | 56 | 22 | 1 | 33 | 6 | 1 | | 19,929.9 | |
| 9A + 9B | 56 | 22 | 1 | 34 | 6 | 0 | | 19,929.9 | |
| 10A | 16 | 13 | | 3 | | 0 | | 7,586.0 | |
| 10B(REC) | 0 | 0 | | 0 | | 0 | | | 13,381.7 |
| | 467 | 187 | | 271 | | 9 | | | check |
| | | | | | | 467 | check | 180,490.9 | 183,857.50 |
| | | | | | | | | 10 fleet carshare spaces provided on P2B | |
| Total - Ililani: | 467 | free-in | tandem | | | HC | | | |
| Commercial | 20 | 18 | 0 | | | 2 | | | |
| Staff or Free | 2 | 1 | 1 | | | | | | |
| HUI Carshare | 3 | 2 | 1 | | | | | | |
| Fleet Carshare | 10 | 5 | 5 | | | | | | |
| Residential | 432 | 371 | 54 | | | 7 | | | |
| FREE IN | 406 | 397 | 61 | | 61 | 9 | | | |
| TANDEM TOTAL | 61 | | 61 | | | 467 | | | |
| | | | check | | | check | | | |

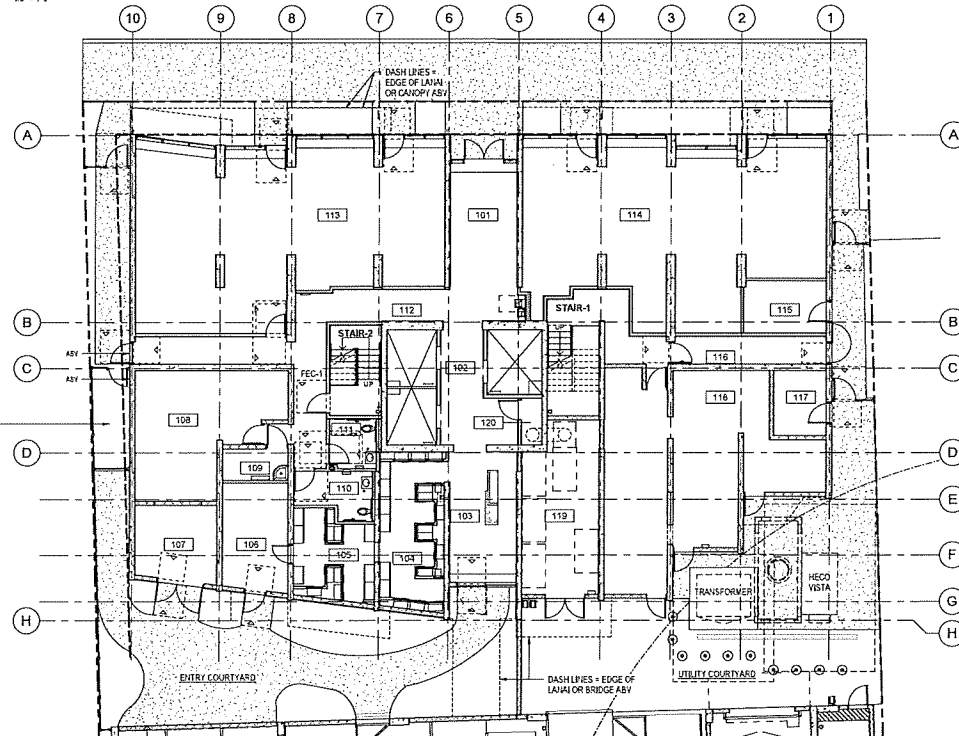
| | | |
|---------------|-----|-----------------|
| Residential | 432 | Total |
| | 378 | Assigned |
| | 54 | Tandem 2nd |
| Staff or Free | 1 | Ground - Free |
| | 1 | Ground - Tandem |

EXHIBIT D

EXHIBIT B



TOWER FLOOR PLAN - LEVEL 2 (LEVEL 3 SIM)
1/8" = 1'-0"



TOWER FLOOR PLAN - LEVEL 1
1/8" = 1'-0"

| ROOM NAMES - COMMON AREAS | |
|--------------------------------------|-------------------------|
| ROOM NO. | ROOM NAME |
| LEVEL 1 | |
| 151 | STAIR-1 |
| 152 | STAIR-2 |
| 101 | LOBBY |
| 102 | ELEVATOR LOBBY |
| 103 | LOBBY |
| 104 | MAIL |
| 105 | MAIL |
| 106 | MAIL |
| 107 | RECREATION |
| 108 | PUMP ROOM |
| 109 | JANITOR |
| 110 | WOMEN |
| 111 | VEST |
| 112 | CORRIDOR |
| 113 | COMMERCIAL |
| 114 | COMMERCIAL |
| 115 | RISE COMMAND |
| 116 | STAIR EXIT CORRIDOR |
| 117 | TELECOM |
| 118 | ELECTRICAL |
| 119 | TRASH |
| 120 | TRASH CHUTE MAINTENANCE |
| LEVEL 2 THRU 10 | |
| 101 | ELEVATOR LOBBY |
| 102 | CORRIDOR |
| 103 | TRASH ACCESS |
| 104 | ELEG/TELECOM |
| 105 | ENTRY |
| 151 | STAIR-1 |
| 152 | STAIR-2 |
| LEVEL 7, 16, 25 & 34 ONLY | |
| 105 | PRY CLOSET |
| LEVEL 11 THRU 42 | |
| 101 | ELEVATOR LOBBY |
| 102 | CORRIDOR |
| 103 | TRASH ACCESS |
| 104 | ELEG/TELECOM |
| 151 | STAIR-1 |
| 152 | STAIR-2 |
| LEVEL 43 (ROOF) | |
| 4351 | STAIR-1 |
| LEVEL 44 (ENT) | |
| 4401 | ELEVATOR MACH/RE ROOM |

The work was prepared by me or under my supervision and execution of this project will be under my observation.
 Signature: *Esteva 4/28/2022*
CDS
CDS INTERNATIONAL
 1800 ALA MANA BOULEVARD, SUITE 1000, HONOLULU, HI 96813
 615 KEAWE STREET, HONOLULU, HI 96813
 TOWER FLOOR PLANS - LEVEL 1 & LEVEL 2 (LEVEL 3 SIM)
 Job No. 18019.00
 Date 05/19/2022
SD-02
 Sheet 2 of 18

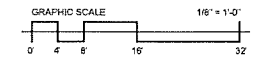
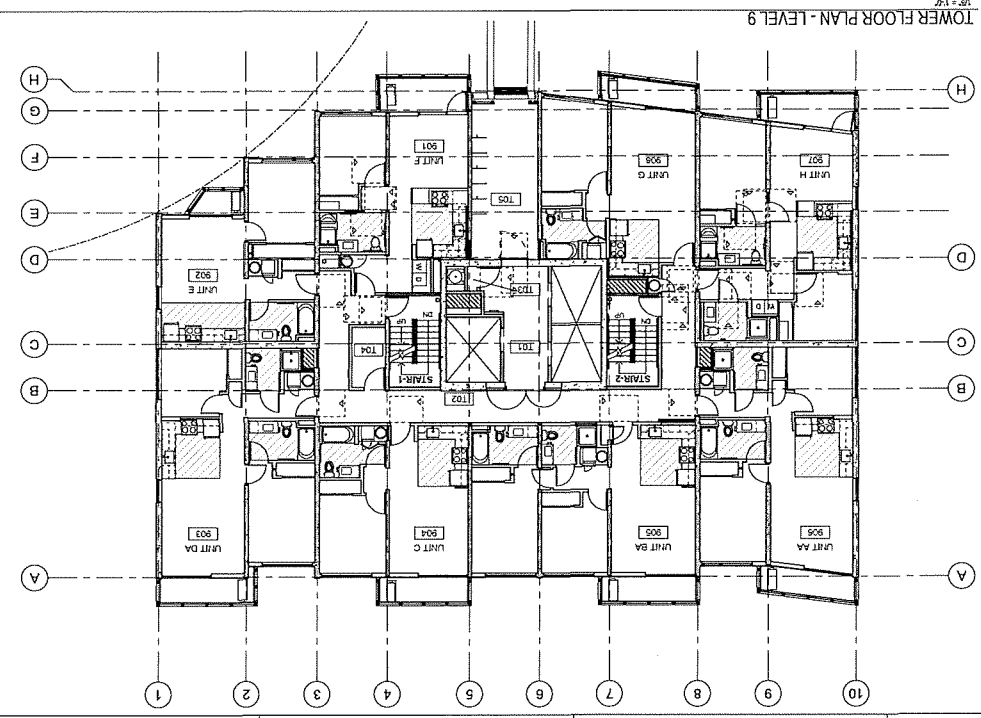
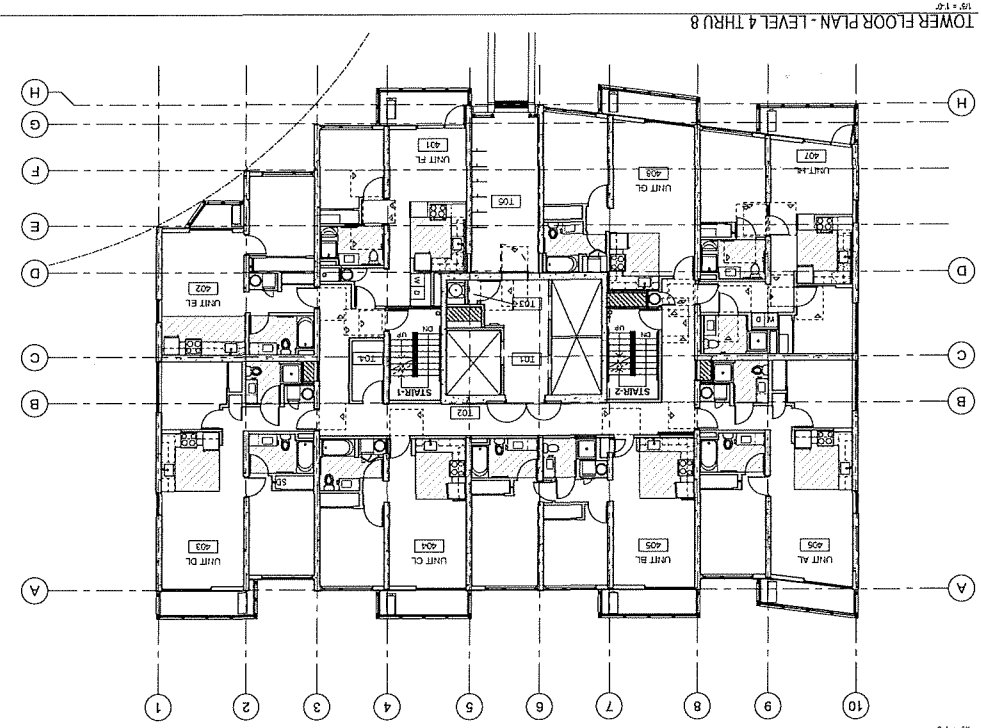


EXHIBIT D

EXHIBIT B



SD-03
DATE: 04/20/22
SCALE: 1/8" = 1'-0"

ILLUMANI LLC
1100 ALA MOANA BOULEVARD, SUITE 200, HONOLULU HI 96813
615 KEAWE STREET, HONOLULU HI 96813
TOWER FLOOR PLANS - LEVEL 4 THRU 9 & LEVEL 9



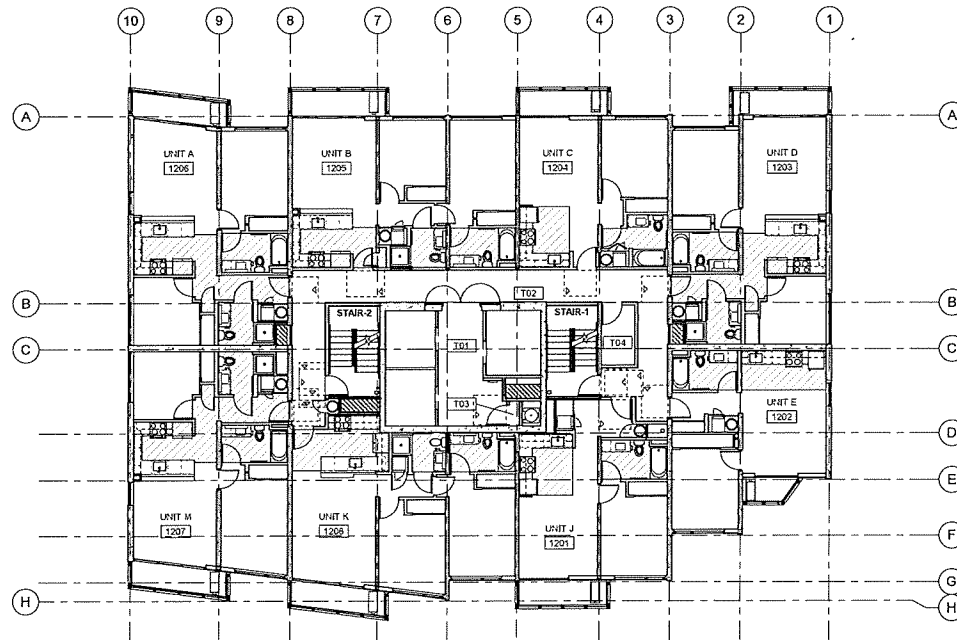
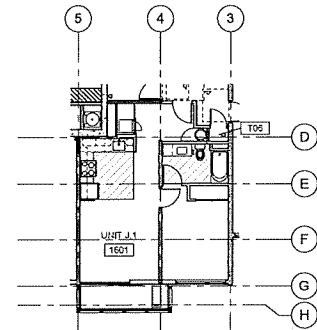
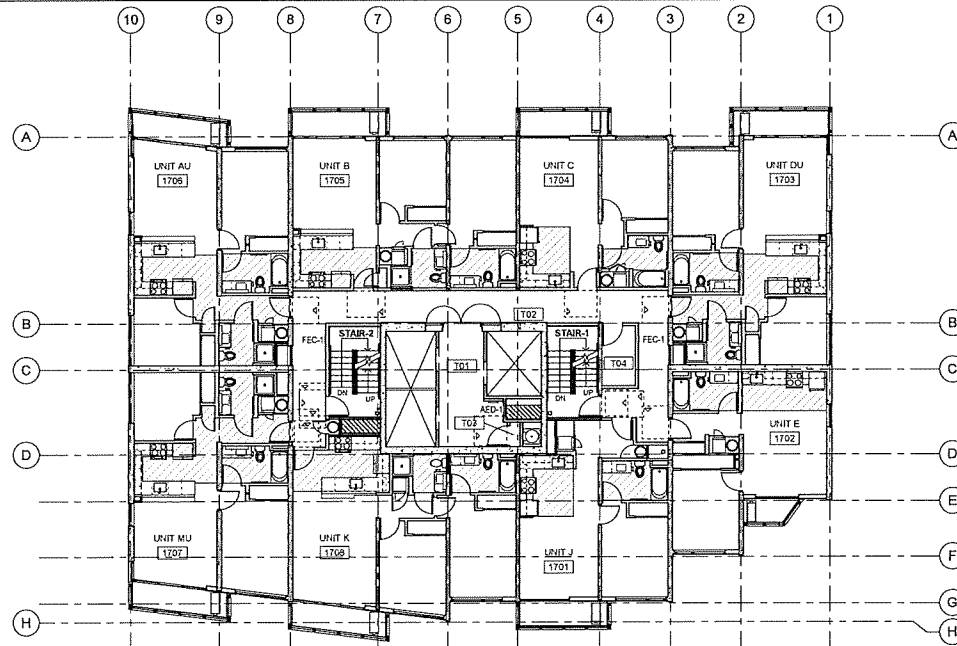
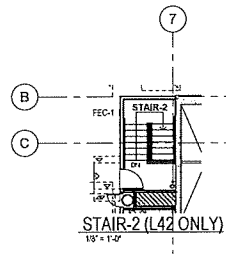
ILLUMANI LLC
1100 ALA MOANA BOULEVARD, SUITE 200, HONOLULU HI 96813
615 KEAWE STREET, HONOLULU HI 96813
TOWER FLOOR PLANS - LEVEL 4 THRU 9 & LEVEL 9

| No. | Revised | Description |
|-----|---------|-------------|
| | | |
| | | |
| | | |
| | | |
| | | |

This work was prepared by
me and I am the author and
creator of the content and
design of this work.
I warrant that the work
was prepared by me or
under my direct supervision
and that I am a duly
licensed professional
engineer in the State of
Hawaii.

EXHIBIT D

EXHIBIT B



| No. | Date | Revisions/Descriptions |
|-----|------|------------------------|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

The work was prepared by me or under my supervision and construction of this project will be under my observation.

Signature: Eugene A. O'Connell



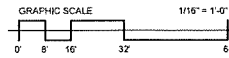
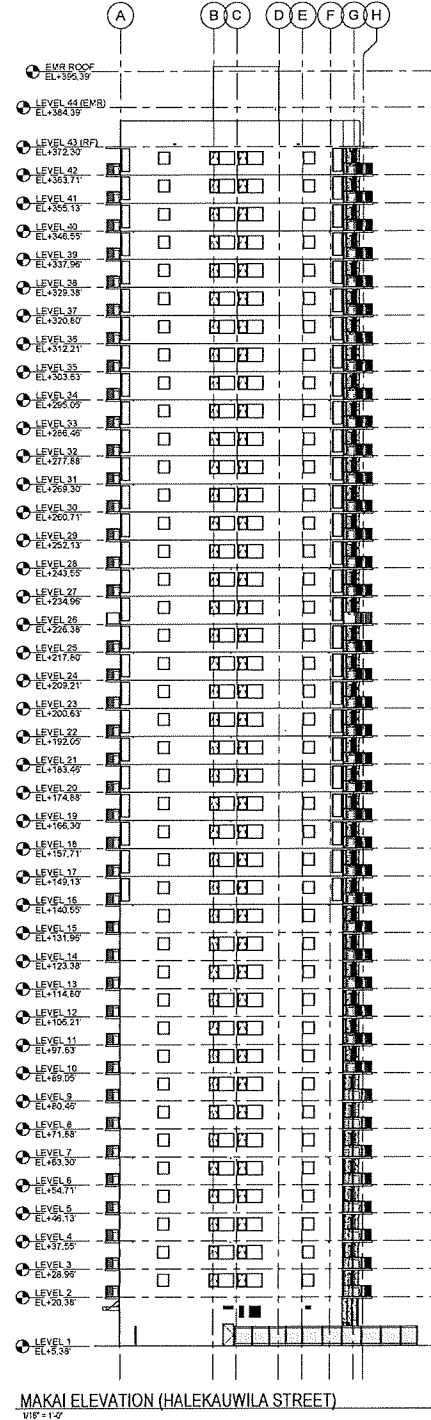
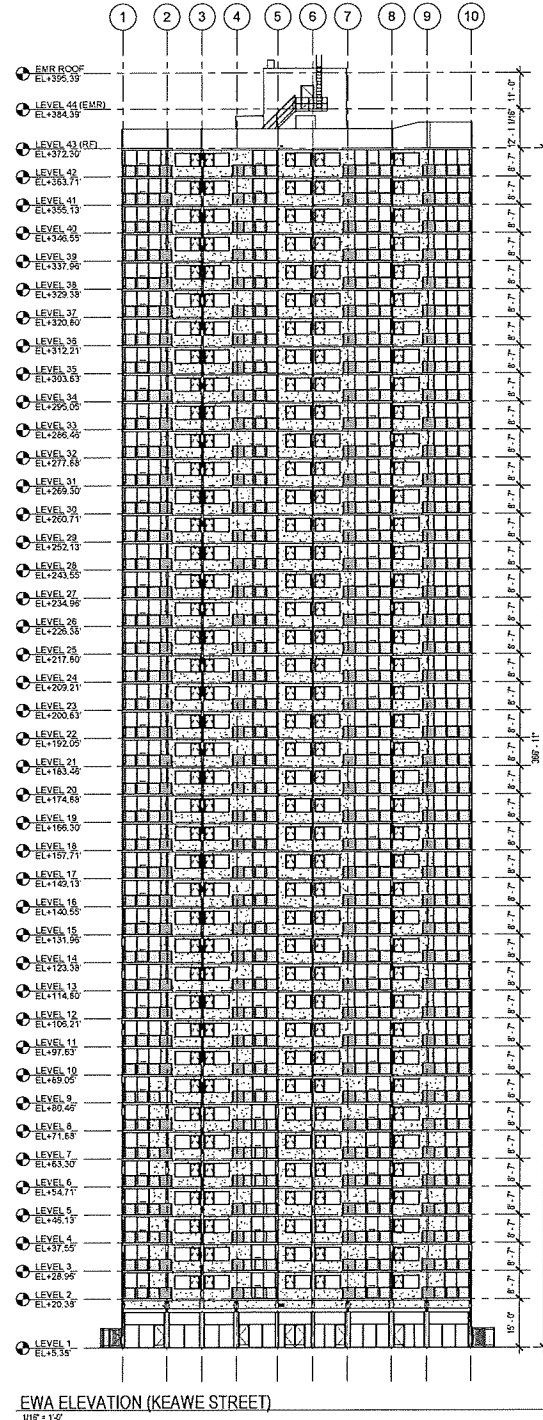
CDS INTERNATIONAL
Professional Engineer License No. 11767
Mechanical Engineering License No. 11767
1000 Kalia Road, Suite 100, Honolulu, HI 96813

ULI ANI LLC
1000 KALIA ROAD, SUITE 100, HONOLULU, HI 96813
615 KEAWE STREET, HONOLULU, HI 96813
TOWER FLOOR PLANS - LEVEL 12 THRU 15 & LEVEL 17 THRU 41 (16, 25, 34 & 42 SIM)

| | |
|---------|------------|
| Job No. | 16216.00 |
| Date | 02/19/2025 |
| Sheet | SD-05 |
| Total | 5 of 18 |

EXHIBIT D

EXHIBIT B



| | | |
|-----|------|---------------------|
| No. | Date | Revised Description |
| | | |
| | | |
| | | |

This work was prepared by me or under my supervision and execution of this project will be under my direction.

Signature: *Raymond* 02/07/2023

CDS

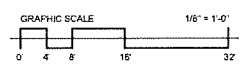
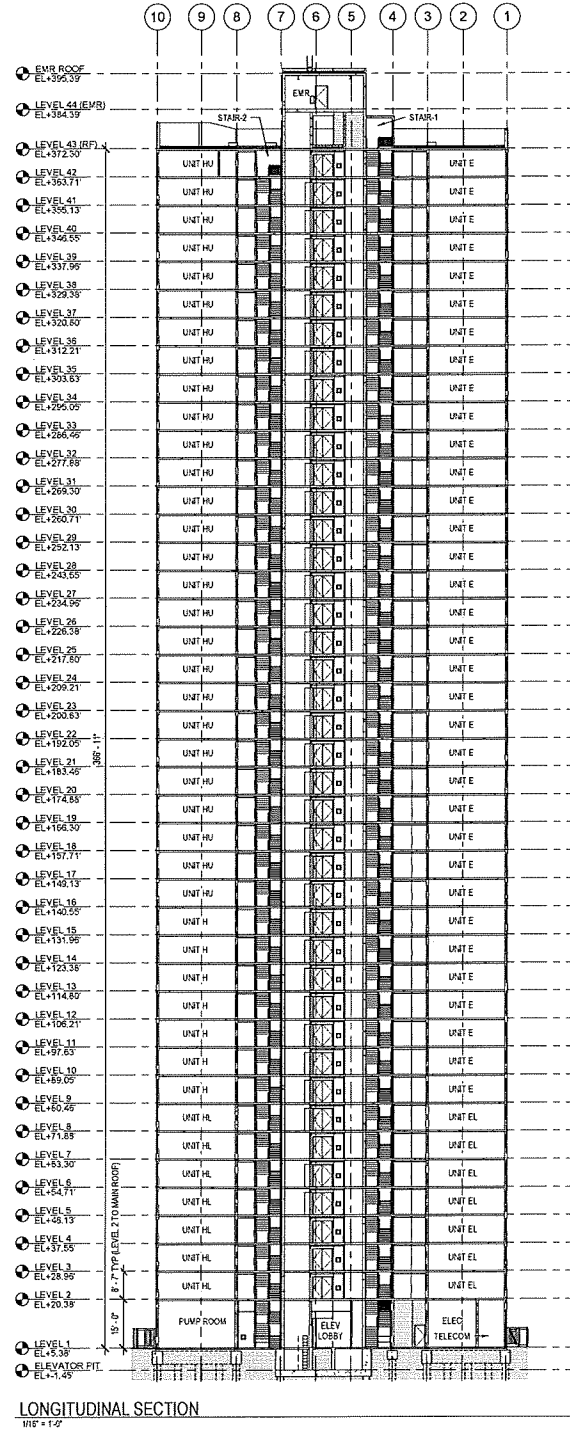
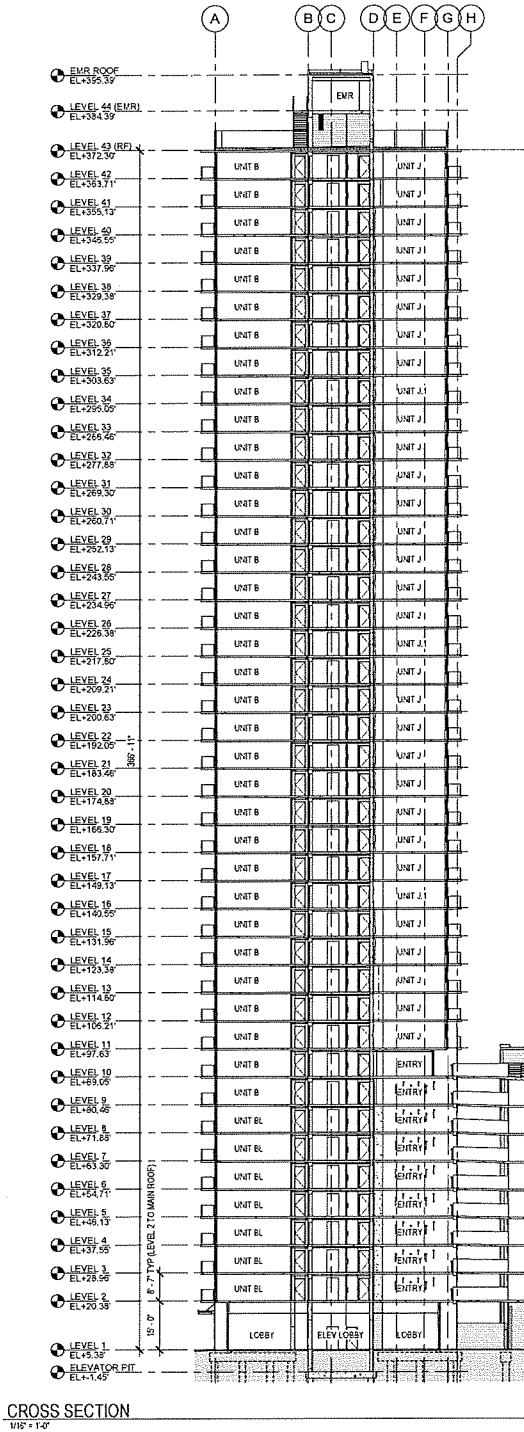
CDS INTERNATIONAL
1100 KALANANAKUHIWA DRIVE, SUITE 1000, HONOLULU, HI 96813
PH: (808) 943-8888 FAX: (808) 943-8889

1100 KALANANAKUHIWA DRIVE, SUITE 1000, HONOLULU, HI 96813
ILLUMINATI
615 KEAWE STREET, HONOLULU, HI 96813
TOWER EXTERIOR ELEVATIONS

158126 10/05/20
Date 05/12/23
SD-06
Sheet 6 of 18

EXHIBIT D

EXHIBIT B



| | |
|-------------|------------|
| Job No. | 15015.00 |
| Date | 05/15/2010 |
| Sheet | SD-08 |
| Rmt 8 of 18 | |

Signature: Elyse 4/20/2010

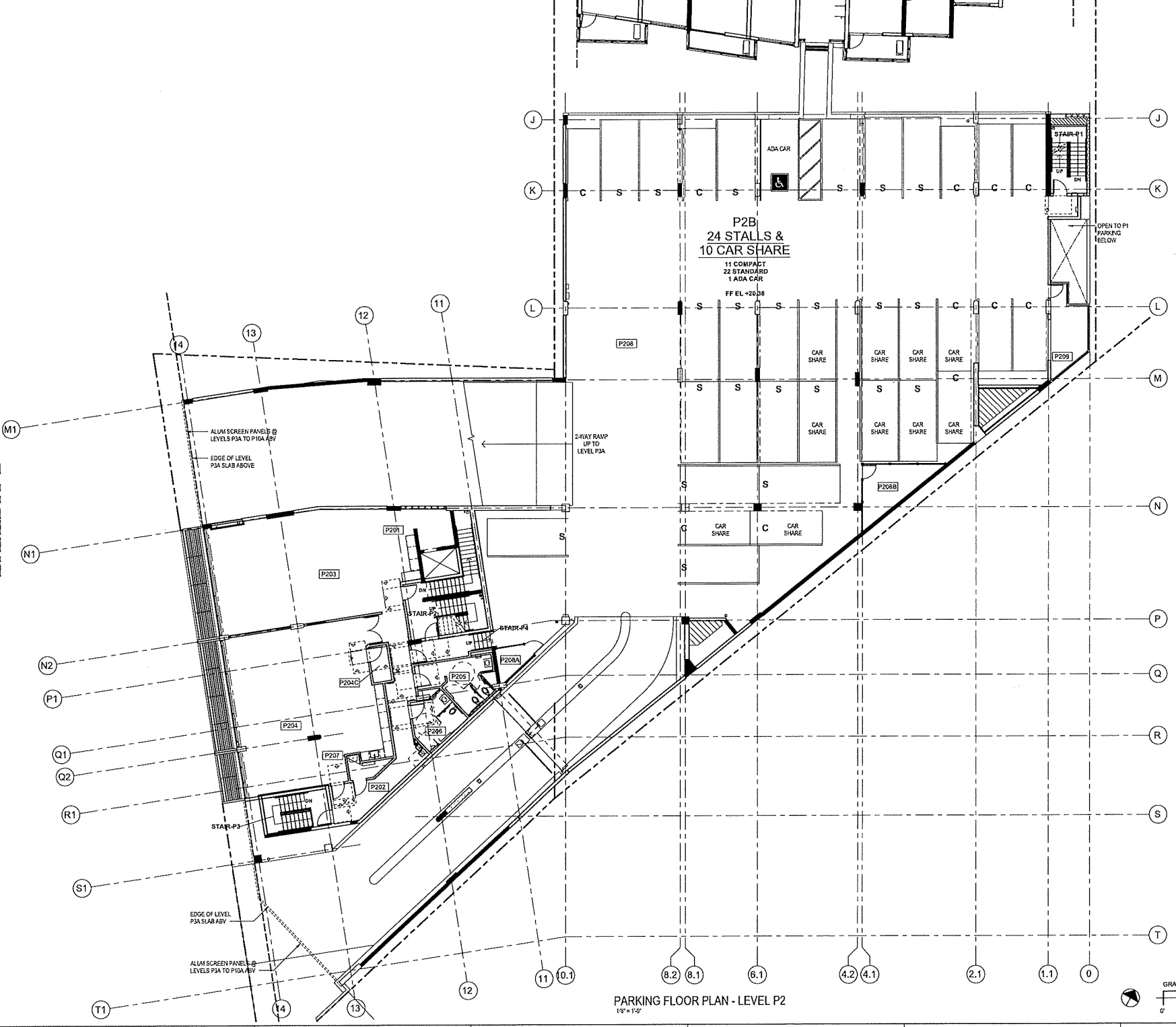
CDS

CDS INTERNATIONAL
1000 KALANIANA'OLEHI BLVD, SUITE 1000, HONOLULU, HI 96813
TEL: (808) 531-1111 FAX: (808) 531-1112

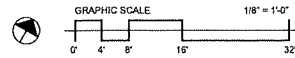
LULUAN LLC
1000 KALANIANA'OLEHI BLVD
LULUAN
615 KEANE STREET, HONOLULU, HI 96813
TOWER BUILDING SECTIONS (print from final PDFs)

EXHIBIT D

EXHIBIT B



PARKING FLOOR PLAN - LEVEL P2
1/8" = 1'-0"



| No. | Date | Revision Description |
|-----|------|----------------------|
| | | |
| | | |
| | | |
| | | |

This work was prepared by me or under my supervision and construction of this project will be under my observation.

Signature: Expires 4/9/2022

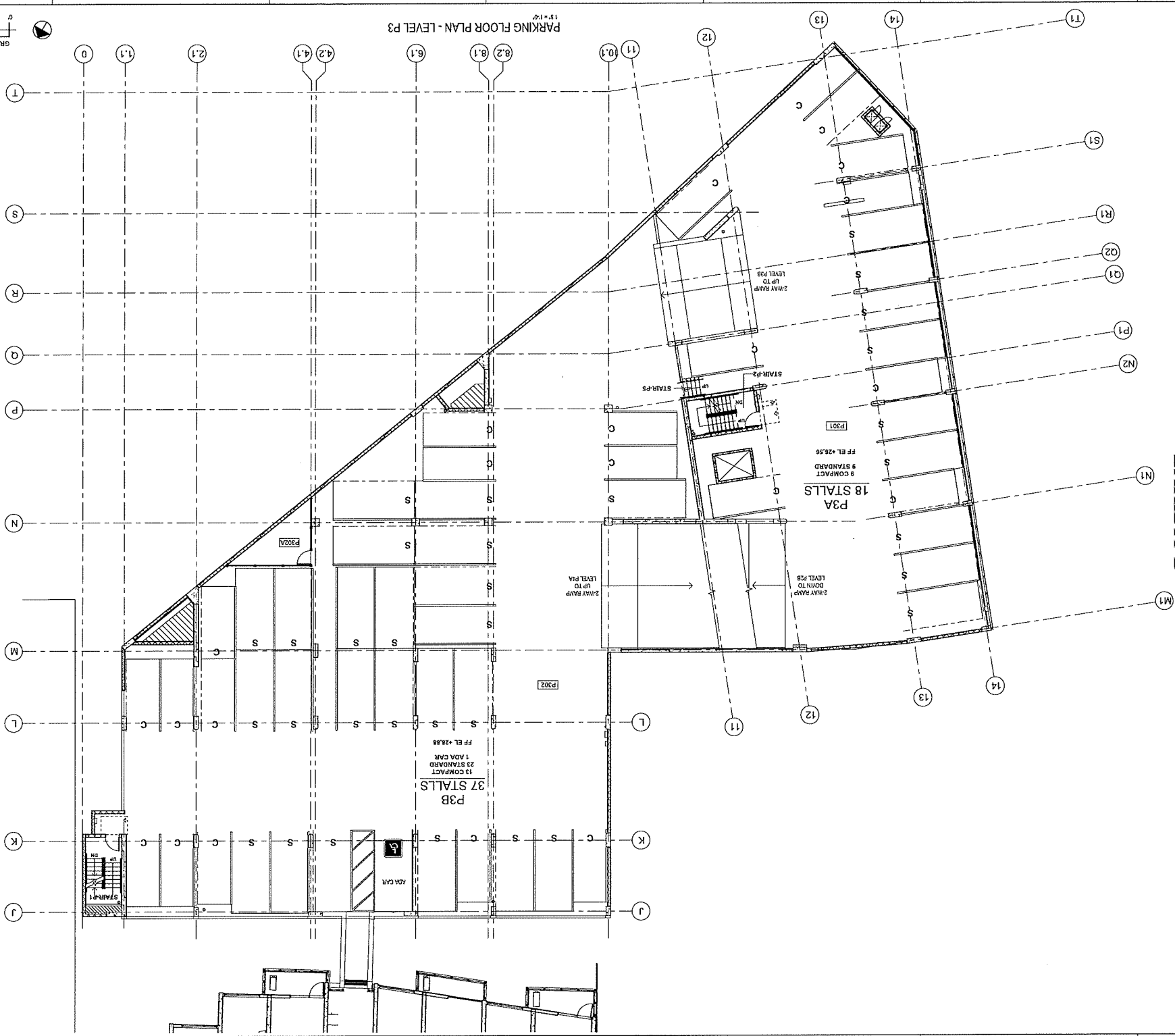
UCS INTERNATIONAL
 1000 KALANIANA'OLELE BOULEVARD, SUITE 1000
 HONOLULU, HAWAII 96813
 TEL: 808-943-1111 FAX: 808-943-1112

ILLANI LLC
 1995 KALANIANA'OLELE BOULEVARD, SUITE 1000, HONOLULU HI 96813
 ILLANI
 615 KEAHE STREET, HONOLULU HI 96813
 PARKING FLOOR PLAN - LEVEL P2

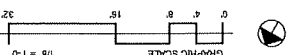
J&B No. 16075.00
 Date: 09/19/2020
 SD-10
 Sheet 10 of 18

EXHIBIT D

EXHIBIT B



PARKING FLOOR PLAN - LEVEL P3

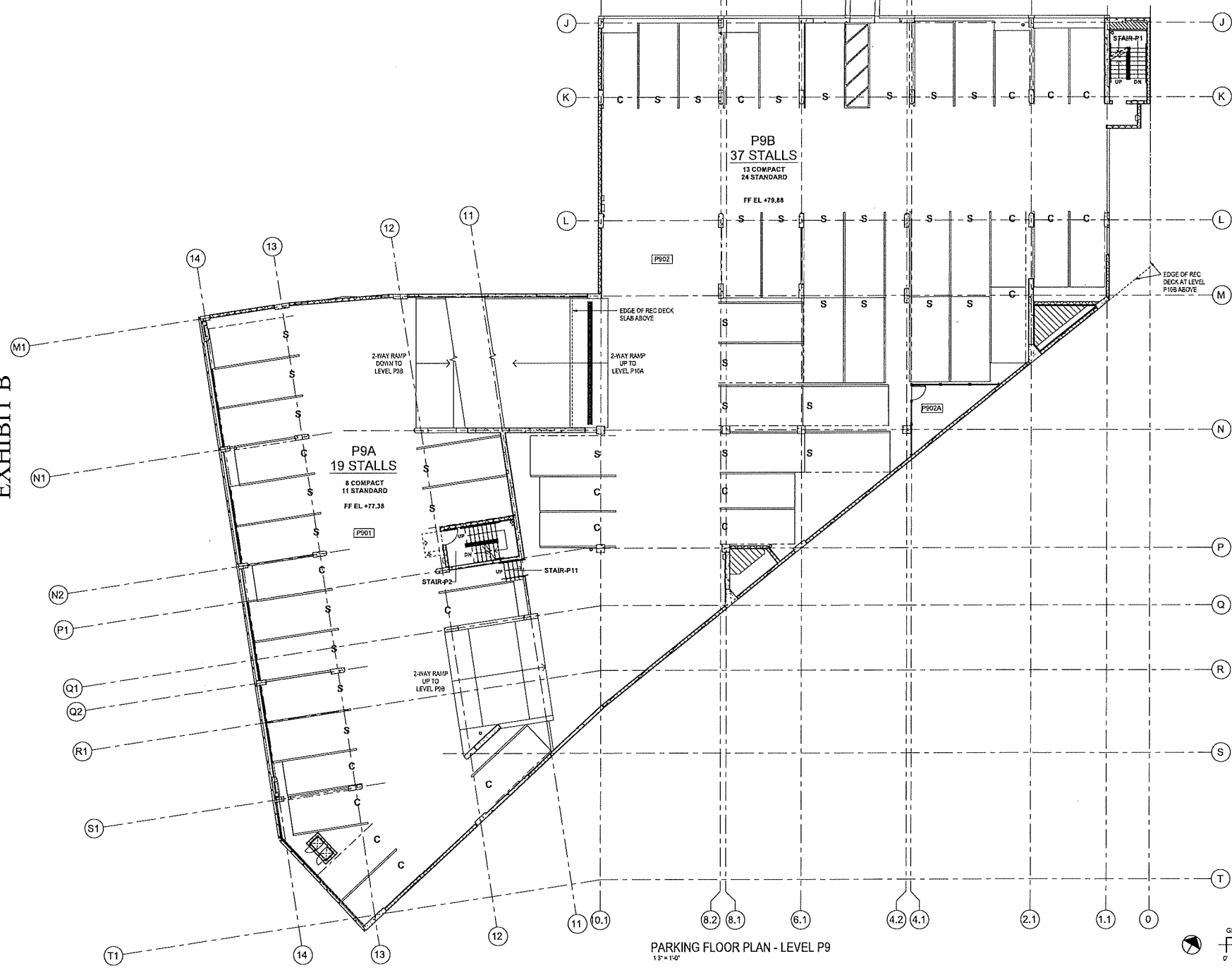


| | |
|---|---------|
| Sheet 11 of 18 | SD-11 |
| DATE: 09/12/20 | REV: 01 |
| LILANI LLC 1100 KAUAIANUA BOULEVARD FLOOR, HONOLULU HI 96813 | |
| 615 KEAWE STREET, HONOLULU HI 96813 | |
| PARKING FLOOR PLAN - LEVEL P3 | |
| DESIGN: INTERNATIONAL | |

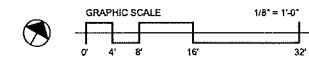
| | |
|---|-------|
| Signature: Elyse 479222 | Date: |
| This work was prepared by me or under my supervision and I am a duly licensed professional engineer in the State of Hawaii. | Date: |
| Signature: Elyse 479222 | Date: |

EXHIBIT D

EXHIBIT B



PARKING FLOOR PLAN - LEVEL P9
1/8" = 1'-0"



| No. | Date | Revision Description |
|-----|------|----------------------|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

This work was prepared by me or under my supervision and coordination of this project will be under my observation.

Signature: Expires 4/22/2023

CDS INTERNATIONAL
Architectural & Engineering Firm
1000 Ala Moana Boulevard, Suite 1000, Honolulu, HI 96813
Tel: 808-534-1111 Fax: 808-534-1112

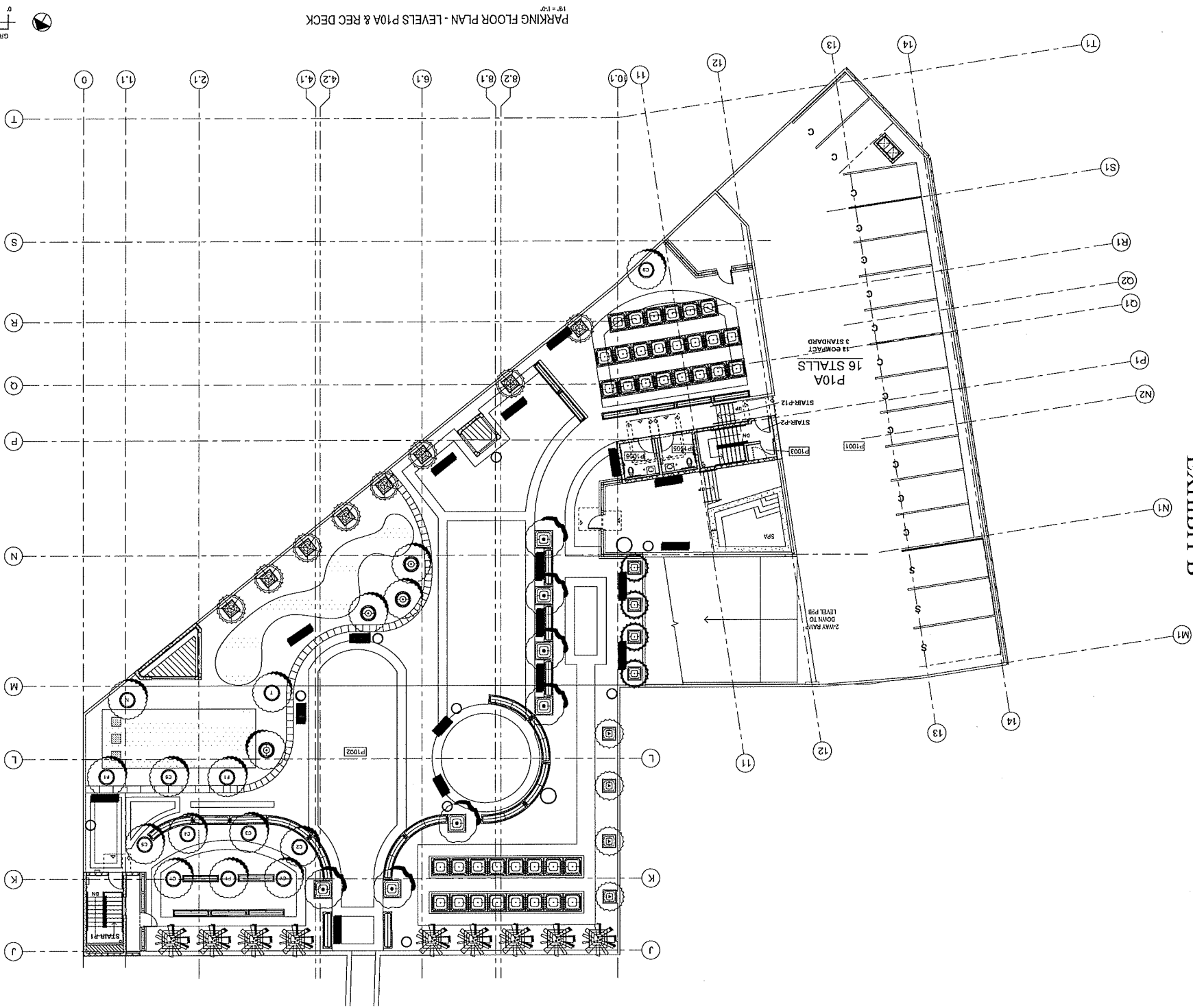
ILANI LLC
1000 Ala Moana Boulevard, Suite 1000, Honolulu, HI 96813
ILIANI
615 KEAWE STREET, HONOLULU HI 96813
PARKING FLOOR PLAN - LEVEL P9

J-E No. 18015.00
Date: 09/19/2020

SD-13
Sheet 13 of 16

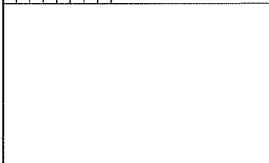
EXHIBIT D

EXHIBIT B



| | |
|---|-----------------|
| Sheet 14 of 16 | SD-14 |
| Proj. No. 16015200 | Date 09/15/2020 |
| ILLANI LLC 1600 KALANIANA'OHU BOULEVARD #1000 HONOLULU HI 96815 ILLANI 615 KEAWE STREET, HONOLULU HI 96813 PARKING FLOOR PLAN - LEVEL P10A & REC DECK | |
| THE INTERNATIONAL 1000 KALANIANA'OHU BOULEVARD #1000 HONOLULU HI 96815 TEL: 808-955-1100 FAX: 808-955-1101 WWW.THEINTERNATIONAL.COM | |

| | | |
|----------------------------|------|---------------------|
| Signature E:\proj\16015200 | Date | Revised Description |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |



OUTLINE SPECIFICATIONS FOR ILILANI

SITE WORK AND FOUNDATIONS

1. Includes utility cut-off/cap-off.
2. Site grading and foundation excavation.
3. On-site and off-site distribution of utilities and utility connection.
4. Foundations — auger cast piles and pile caps provided.
5. Landscape and hardscape as shown on drawings.s
6. Driveway, curb and entrances as shown on the drawings.
7. Site lighting.
8. Dewatering as required.
9. Vapor barriers at entire ground floor level.

VERTICAL SUPERSTRUCTURE FRAMING

10. Structure framing for tower to be concrete and reinforced steel with slabs using tunnel form system.
11. Parking structure framing to be concrete columns and beams with reinforced steel and post tensioned slabs.
12. Tower stairs to be pre-engineered metal stairs.

EXTERIOR FAÇADE & CLADDING SYSTEM

13. EIFS systems to be drainable system with secondary waterproofing barrier.
14. Glazing at windows and sliding glass doors to be dual pane glazing with Low-E coating to minimize solar heat gain and provide thermal protection.
15. Aluminum and glazing fabrications based on global sourcing.
16. Lanai railings to be aluminum framed, tempered glass railings.
17. Metal screening to be provided at exposed open sides of the parking levels along Halekauwila Street.

ROOFING AND WATERPROOFING

18. Parking upper deck — elastomeric waterproofing provided.
19. Elevator pit waterproofing with protection board provided.

EXHIBIT B

EXHIBIT D

OUTLINE SPECIFICATIONS FOR ILILANI

ELEVATORS

20. Elevators provided as shown on drawings.
21. Passenger elevators based on 3500# capacity.

MEP SYSTEMS

22. Typical residential units to have packaged split air conditioning units for each living room and bedroom.
23. Condensate drain risers are provided.
24. Electrical power to building to be through single electrical meter.
25. Electrical sub-metering to retail and residential units to be provided.
26. Emergency generator, diesel, main circuit breaker, skid mounted fuel tank.
27. Smoke and fire alarm system provided as required by code.
28. Public address and CCTV systems not included.
29. Telephone and data, empty conduits provided within each residential unit.
30. Security system with CCTV cameras infrastructure and entrance controls infrastructure provided. Equipment to be OFOI.
31. Home network cabinet - OFCI
32. Telephone and data wiring not included.

TYPICAL RESIDENTIAL UNIT FINISHES

33. Kitchen
 - a. Kitchen Cabinets - AWI custom grade. Wood melamine veneer on MDF flush panel doors, particle board cabinet box with melamine off-white interiors, soft closing glides and hinges.
 - b. Countertops – simulated stone countertops as per specification.
 - c. Kitchen sink — Stainless steel 16 gauge, undermount.
 - d. Plumbing trims as per drawings and specifications.
 - e. Floor — LVT vinyl floor as per the specifications.
 - f. Wall — drywall or concrete, painted.
 - g. Ceiling - drywall, painted.
34. Bathrooms
 - a. Vanity Cabinets - Wood melamine veneer on MDF flush panel doors, particle board cabinet box with melamine off-white interiors, soft closing glides and hinges.

EXHIBIT B

EXHIBIT D

OUTLINE SPECIFICATIONS FOR ILILANI

- b. Countertops – simulated stone countertops as per specification.
 - c. Medicine cabinet with mirror – custom wood framed with shelf, surface mounted.
 - d. Mirror – Wood framed, surface mounted.
 - e. Floor – LVT vinyl floor as per the specifications.
 - f. Wall – drywall / concrete, painted.
 - g. Ceiling – gypsum board, painted.
 - h. Wood Doors – hollow core.
 - i. Tub – 5' Sterling Vikrell as per drawings and specifications.
 - j. Tub/Shower surrounds – cultured marble wainscot.
 - k. Faucets, Bath & Shower trim – as per drawings and specifications.
 - l. Toilet accessories – as per drawings and specifications.
 - m. Vanity bowl – as per drawings and specifications.
35. Living room, entry and bedrooms
- a. Entry door to be solid core with bamboo veneer.
 - b. Floor – LVT vinyl floor as per the specifications.
 - c. Wall – drywall / concrete, painted.
 - d. Ceiling – medium spray acoustical ceiling.
 - e. Closets – wire shelving system.
 - f. Wardrobe mirrored closet sliding doors as per drawings and specifications.
36. Corridors
- a. Floor – carpet tile.
 - b. Wall – drywall, painted..
 - c. Ceiling – acoustical ceiling tile.
37. Elevator lobby
- a. Floor – carpet tile.
 - b. Wall – drywall, painted.
 - c. Ceiling – acoustical ceiling tile.
38. Bridge
- a. Floor – exposed concrete.
 - b. Wall – concrete parapet wall, aluminum screening.
 - c. Ceiling – concrete, painted.

OUTLINE SPECIFICATIONS FOR ILILANI

PUBLIC AMENITIES SPACES:

39. Community Room

- a. Floor — luxury vinyl tile.
- b. Wall — drywall/concrete, painted.
- c. Ceiling — 2x4 acoustical tile ceiling.
- d. Aluminum storefront system.
- e. Kitchenette
 - i. Kitchen Cabinets - AWI custom grade. Wood melamine veneer on MDF flush panel doors, particle board cabinet box with melamine off-white interiors, soft closing glides and hinges.
 - ii. Countertops — simulated stone countertops as per specification.

40. Toilet Room — Men/Women

- a. Floor — luxury vinyl tile.
- b. Wall — drywall/concrete, painted.
- c. Ceiling - drywall, painted.
- d. Bathroom door to be solid core, wood veneer, painted.
- e. Countertops — simulated stone countertops as per specification.
- f. Toilet accessories — polished chrome finish.

41. Commercial Spaces

- a. Commercial space concrete slab-on-grade partially provided.
- b. Underground utilities provided to designated area within retail space.
- c. Storefront glazing provided.
- d. Retail interior spaces to be cold, dark shell; all interior finish, MEP fit out, final sprinkler lines to be by tenant.
- e. Finished Men/Women toilet room provided.
- f. Air conditioning equipment, ducting, AHU, ventilation, etc. are not included.
- g. Fire protection system provided for retail areas based on minimum loft area coverage.
- h. Utility metered separately.

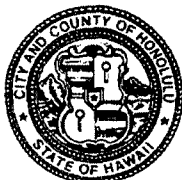
42. Recreation Level Deck

- a. Floor - deck coating to be provided.
- b. Landscape and irrigation provided.
- c. Fiberglass planter boxes provided.

DEPARTMENT OF ENVIRONMENTAL SERVICES
CITY AND COUNTY OF HONOLULU

1000 ULUOHIA STREET, SUITE 308, KAPOLEI, HAWAII 96707
TELEPHONE: (808) 768-3486 • FAX: (808) 768-3487 • WEBSITE: <http://envhonoilulu.org>

KIRK CALDWELL
MAYOR



LORI M.K. KAHIKINA, P.E.
DIRECTOR

TIMOTHY A. HOUGHTON
DEPUTY DIRECTOR

ROSS S. TANIMOTO, P.E.
DEPUTY DIRECTOR

IN REPLY REFER TO:
WAS 20-212

June 10, 2020

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. William W.L. Yuen
Dentons US LLP
1001 Bishop Street, Suite 1800
Honolulu, Hawaii 96813-3689

Dear Mr. Yuen:

SUBJECT: Ililani Condominium Project – 615 Keawe Street, Honolulu, Oahu
TMK No. 2-3-51:11 and 12

This is in response to your letter dated May 13, 2020, regarding a waiver of the Wastewater System Facilities Charge (WSFC) for the subject project.

In accordance with Revised Ordinances of Honolulu, Chapter 14, I am confirming that the WSFC for the affordable units offered to buyers earning at or below 140% of Honolulu's area median income is eligible for waiver.

Should you have any questions, please contact Michael O'Keefe, Executive Assistant II, at 768-3475.

Sincerely,

A handwritten signature in black ink, appearing to read "Lori M.K. Kahikina", is written over a horizontal line. Below the signature, the text "Lori M.K. Kahikina, P.E." and "Director" is printed.

Lori M.K. Kahikina, P.E.
Director

EXHIBIT E