Hawaii Public Housing Authority
Administrative Offices
Redevelopment

Chapter 201H Program Application

Submitted to:
CITY AND COUNTY OF HONOLULU
DEPARTMENT OF PLANNING AND PERMITTING

Prepared for:
RETIREMENT HOUSING FOUNDATION

Prepared by:
PBR HAWAII & ASSOCIATES, INC.

MAY 2020
This page intentionally left blank.
(This page left blank intentionally.)
# TABLE OF CONTENTS

1. LAND USE PERMITS DIVISION MASTER APPLICATION FORM ................................................................. 1
2. DETERMINATION OF ELIGIBILITY .............................................................................................................. 1
3. PROJECT NARRATIVE ..................................................................................................................................... 1
   A. STATE LAND USE AND CITY & COUNTY ZONING DISTRICTS ................................................................. 4
   B. PRIMARY URBAN CENTER DEVELOPMENT PLAN ..................................................................................... 4
   C. CURRENT AND HISTORIC SITE CONDITIONS .......................................................................................... 22
   D. CLIMATE HAZARD VULNERABILITY AND MITIGATION ................................................................................. 24
   E. RELOCATION AND TRANSITION OF TENANTS ............................................................................................ 24
   F. PROPOSED HOUSING AND AMENITIES ...................................................................................................... 24
   G. PROPOSED PARKING ........................................................................................................................................ 26
   H. INFRASTRUCTURE ....................................................................................................................................... 27
   I. TOPOGRAPHY AND SOILS ....................................................................................................................................... 33
   J. LIST OF OTHER PERMITS/APPROVALS REQUIRED ....................................................................................... 35
4. PROPOSED EXEMPTIONS ............................................................................................................................. 36
5. CONFIRMATION OF SEWER CAPACITY ......................................................................................................... 43
6. CONFIRMATION OF WATER AVAILABILITY .................................................................................................. 43
7. CONFIRMATION OF ELECTRICITY ................................................................................................................ 43
8. PROJECT DEVELOPMENT SCHEDULE ............................................................................................................ 43
9. PROJECT MANAGEMENT PLAN .................................................................................................................... 43
10. VICINITY AND LAND USE MAPS ................................................................................................................ 43
11. REQUIRED PLANS AND DRAWINGS .......................................................................................................... 43
12. BREAKDOWN OF DEVELOPMENT COSTS .................................................................................................... 44
   A. ANTICIPATED SOURCES OF FINANCING .................................................................................................. 44
   B. OPERATING SUBSIDIES (IF AWARDED OR BEING CONTEMPLATED) ............................................................ 44
13. DEVELOPMENT EXPERIENCE .................................................................................................................. 45
14. PROPOSED RENTAL RATES ........................................................................................................................ 45
15. COMMUNITY OUTREACH ............................................................................................................................ 45
   A. COMMUNITY ENGAGEMENT THROUGH THE CONCEPTUAL MASTER PLAN PROCESS .......................................................... 46
   B. EIS PUBLIC ENGAGEMENT ..................................................................................................................... 47
   C. COMMUNITY ENGAGEMENT THROUGH THE DESIGN AND 201H PROCESSES .......................................................... 48
   D. SUMMARY OF COMMUNITY OUTREACH AND ENGAGEMENT ......................................................................... 49
16. MOBILITY ANALYSIS REPORT .................................................................................................................... 50
17. LAND USE COMMISSION APPLICATION STATUS ..................................................................................... 50
18. DEVELOPMENT AGREEMENT .................................................................................................................... 50
LIST OF TABLES

TABLE 1: PROPOSED AFFORDABLE AND MARKET RATE UNITS ..................................................................................................... 4
TABLE 2: UNITS IN EACH INCOME QUALIFICATION SEGMENT .................................................................................................... 25
TABLE 3: ESTIMATED PARKING ............................................................................................................................................ 26
TABLE 4: ESTIMATED OFF-STREET LOADING .......................................................................................................................... 27
TABLE 5: LIST OF OTHER PERMITS/APPROVALS REQUIRED ....................................................................................................... 35
TABLE 6: LIST OF REQUESTED EXEMPTIONS ........................................................................................................................... 37
TABLE 7: MAXIMUM INCOME ............................................................................................................................................. 45
TABLE 8: MAXIMUM RENTS ............................................................................................................................................... 45
TABLE 9: SUMMARY OF COMMUNITY OUTREACH AND ENGAGEMENT ......................................................................................... 49

LIST OF EXHIBITS

EXHIBIT 1: LAND USE PERMITS DIVISION MASTER APPLICATION FORM
EXHIBIT 2: DETERMINATION OF ELIGIBILITY DOCUMENTATION
EXHIBIT 3: LOCATION MAP
EXHIBIT 4: PRELIMINARY SITE PLAN & PHASING SITE PLAN
EXHIBIT 5: AERIAL PHOTO WITH SITE PLAN
EXHIBIT 6: STATE LAND USE DISTRICT MAP
EXHIBIT 7: CITY AND COUNTY ZONING DISTRICT MAP WITH HEIGHT LIMITS
EXHIBIT 8: PRIMARY URBAN CENTER DEVELOPMENT PLAN LAND USE MAP
EXHIBIT 9: SIGNIFICANT PANORAMIC VIEWS
EXHIBIT 10: VISUAL IMPACT ANALYSIS
EXHIBIT 11: IDENTIFICATION OF HISTORIC PROPERTIES RECONNAISSANCE LEVEL SURVEY SUMMARY REPORT
EXHIBIT 12: RECONNAISSANCE LEVEL SURVEY COVERAGE MAP
EXHIBIT 13: ARCHAEOLOGICAL STUDY
EXHIBIT 14: FLOOD INSURANCE RATE MAP (FIRM)
EXHIBIT 15: TSUNAMI EVACUATION ZONES
EXHIBIT 16: PRELIMINARY ENGINEERING REPORT
EXHIBIT 17: BWS WATER AVAILABILITY LETTER
EXHIBIT 18: SEWER CONNECTION APPLICATION APPROVAL
EXHIBIT 19: MOBILITY ANALYSIS REPORT
EXHIBIT 20: HECO SERVICE LETTER
EXHIBIT 21: TOPOGRAPHIC MAP
EXHIBIT 22: LAND STUDY BUREAU DETAILED LAND CLASSIFICATION
EXHIBIT 23: SOILS
EXHIBIT 24: AGRICULTURAL LANDS OF IMPORTANCE TO THE STATE OF HAWAI‘I (ALISH)
EXHIBIT 25: PRELIMINARY GEOTECHNICAL STUDY
EXHIBIT 26: MASTER DEVELOPMENT SCHEDULE
EXHIBIT 27: MANAGEMENT PLAN
EXHIBIT 28: FLOOR PLANS & EXTERIOR BUILDING ELEVATIONS
EXHIBIT 29: OPEN SPACE PLANS
EXHIBIT 30: BUILDING, OFF-STREET PARKING & LOADING SUMMARY TABLES
EXHIBIT 31: PRELIMINARY LANDSCAPE PLANS
EXHIBIT 32: ANTICIPATED SOURCES OF FINANCING
EXHIBIT 33: DEVELOPER EXPERIENCE
EXHIBIT 34: NEIGHBORHOOD BOARD NO. 14 MEETING MINUTES
EXHIBIT 35: COMMUNITY MEETING SUMMARIES
EXHIBIT 36: ONLINE PUBLIC ENGAGEMENT (APRIL-MAY 2020)
1. **LAND USE PERMITS DIVISION MASTER APPLICATION FORM**

   Please see Exhibit 1.

2. **DETERMINATION OF ELIGIBILITY**

   The Determination of Eligibility Application for the Hawai‘i Public Housing Authority (HPHA) Administrative Offices Redevelopment project (“Proposed Project”) was submitted by PBR HAWAII to the City and County of Honolulu (City) Department of Planning and Permitting (DPP) on December 17, 2019. DPP confirmed the Proposed Project’s eligibility for affordable housing exemptions pursuant to Chapter 201H, Hawai‘i Revised Statutes (HRS) on January 10, 2020. The information submitted to DPP and deemed eligible for processing remains correct and has not been changed. A copy of the materials submitted for the Determination of Eligibility and Notice of Eligibility are attached as Exhibit 2.

3. **PROJECT NARRATIVE**

   **Project Need**

   The State of Hawai‘i and City & County of Honolulu are currently experiencing a housing crisis. This crisis is the result of a severe shortage of affordable rental apartment units, particularly within proximity of downtown Honolulu, the civic and urban center of O‘ahu. The 2015 installment of *Paycheck to Paycheck*, from the Center for Housing Policy at the National Housing Conference, ranked Honolulu the second most expensive residential rental market in the nation. This is due to an increasingly high demand for housing, coupled with a decades-low housing supply, limited land, and high production costs. As housing costs in Hawai‘i continue to increase, the number of affordable apartments that are available continues to decline. Consequently, many residents are forced to relocate greater distances from their place of work in urban Honolulu, resulting in secondary impacts such as lengthening commute times, exacerbating traffic congestion, increasing pollution, social and environmental impacts associated with traffic congestion and a decreasing quality of life for commuters. In a worst-case scenario, some residents may be displaced altogether.

   Senior citizens (age 65 or older) represent 22 percent of the 96817 Proposed Project site Zip Code Tabulation Area population, significantly higher than the 15 percent for the island wide population.

   On June 29, 2016, SB2561, SD2, HD1, CD1, was signed into law as Act 127 (the “ACT”), Session Laws of Hawai‘i (SLH), to address the affordable rental housing crisis by establishing an affordable rental housing goal, and establishing a Special Action Team on affordable rental housing (“SAT”). The SAT is chaired by the Director of the Office of Planning (OP) and its primary mission is to recommend actions to promote affordable rental housing. The primary goal of the ACT is to develop or vest the development of at least 22,500 affordable rental housing units, ready for occupancy, between January 1, 2017 and December 31, 2026.

   According to the “Special Action Team on Affordable Rental Housing Report to the Hawai‘i State Legislature in Response to Act 127, Session Laws of Hawai‘i 2016” (State Office of Planning, 2016):
Housing is considered “affordable” when a household spends less than 30 percent of their income on shelter and utilities. But affordable housing is a serious challenge for Hawai‘i’s low-income residents, who face one of the highest housing cost in the country. In a market with some of the most expensive for-sale homes in the county, 43% of the state’s households must rent. This is even more difficult for Hawai‘i’s residents as rent increases, but wages have not kept pace. There is a sense of urgency in developing needed rental housing units, particularly for households in the rental housing “gap” group (i.e., those earning between 60% and 80% of the area median income (AMI)). The need for affordable housing is particularly acute for households with low incomes.

The Proposed Project specifically responds to this urgent need for developing affordable rental housing.

**Project Purpose**

HPHA’s primary objective of the Proposed Project is to redevelop an underutilized State land asset to facilitate delivery of urgently needed new affordable rental units in an effort to help address the existing affordable housing crises across the State of Hawai‘i. To accomplish this, HPHA proposes to consolidate its existing outdated and decentralized facilities onto a smaller footprint of the Proposed Project site, thereby creating a much larger developable area that can be better utilized to develop up to 800 new, affordable senior housing rental units. The Proposed Project has the potential to significantly expand the number of quality, affordable rental apartments available in the community. The Proposed Project site is an excellent candidate for the proposed development given its location: (i) in the urban core of Honolulu, which is highly consistent of the City and County of Honolulu’s General Plan; (ii) in an existing bus-transit available neighborhood; (iii) just under one mile from both the Kapālama and Iwilei planned Honolulu Rail Transit Project (“HART”) Stations; and (iv) adjacent to senior services, including health service, the Lanakila Multi-Purpose Senior Center, and the Lankila District Park. The current Master Plan for the Proposed Project also envisions incorporating community/retail uses at street level of the new buildings, complementing existing area uses, and providing necessary services for area residents. The Proposed Project is expected to result in a reinvigorated community that is walkable; incorporates well connected thoroughfares; includes well designed recreational spaces; incorporates green building and sustainability concepts; and, incorporates thoughtful consideration to equitable Transit Oriented Development (“TOD”) design and “Complete Street” principles. In summary, it is a transformative project with the potential for far-reaching and positive impacts well beyond the boundaries of the Proposed Project site.

**Hawai‘i Public Housing Authority**

The proposing agency is the Hawai‘i Public Housing Authority (HPHA), a public body and a body corporate and politic of the State of Hawai‘i established by the Territory of Hawai‘i in 1935. HPHA’s primary mission is to provide safe, decent, and sanitary housing for low-income residents of the State of Hawai‘i. HPHA is governed by the Hawai‘i State Legislature under Chapter 356D, Hawai‘i Revised Statutes (“HRS”) and is the sole statewide public housing agency in the State of Hawai‘i. Guided by an eleven-member Board of Directors appointed by the Governor, HPHA’s efforts are focused on developing public and affordable rental and supportive housing, and the efficient and fair delivery of housing services to the people of Hawai‘i, without discrimination. HPHA’s Federal and State Low-Income Public Housing and rental assistance programs currently serve over 10,000 families, totaling more than 27,000 individuals.
In January 2015, through an open procurement process, HPHA issued a solicitation (“Request for Qualifications” or “RFQ”) seeking a developer to work with the agency under a public private partnership to redevelop HPHA’s existing administrative offices with a new, mixed-use project that includes new offices for HPHA and affordable housing on the balance of the Proposed Project site. Several developers submitted proposals in response to the RFQ. After a careful and lengthy review, HPHA selected Retirement Housing Foundation as its development partner for the Proposed Project.

**Retirement Housing Foundation**

Retirement Housing Foundation is a non-profit organization of 197 communities and nearly 2,800 employees located in 29 states (including two on Oahu), Washington, D.C., Puerto Rico, and the U.S. Virgin Islands. Founded in 1961, Retirement Housing Foundation provides housing and services to more than 22,000 people, including older adults, low-income families, and persons with disabilities. Retirement Housing Foundation is one of the largest organizations in the United States devoted to building and preserving affordable housing for the most vulnerable members of society. The Proposed Project will not only be built by Retirement Housing Foundation but also operated by a non-profit RHF affiliate, Foundation Property Management. As in most Retirement Housing Foundation communities, the Proposed Project will include educational and recreational opportunities for seniors, including: computer classes, cultural classes, arts and crafts, dance classes, exercise classes, music classes, and health promotion, etc.

**Project Overview**

The proposed HPHA Administrative Offices Redevelopment project is located at 1002 North School Street, Kapālama (Lanakila), Honolulu, on a portion of a parcel identified as TMK parcel number: 1-6-009:003 (por.), the present location of HPHA’s administrative campus. The Proposed Project site is bounded on two sides by existing streets: North School Street and Lanakila Avenue. See Location Map in Exhibit 3.

HPHA is proposing to redevelop its Administrative Offices complex, which will include replacement HPHA offices (approximately 30,000 square feet [SF] of office space), up to 800 affordable senior rental apartments, and complementary neighborhood commercial type retail and/or community uses up to 10,000 square feet (SF). Park-like landscaped spaces and recreation decks will also be incorporated. Please refer to Preliminary Site Plan in Exhibit 4 and Aerial Photo in Exhibit 5.

Of the 800 total dwelling units comprising the Proposed Project, 797 units (99.6% of the total units) are targeted as long-term affordable rentals restricted for those earning between 30 percent and 80 percent of the area median income (AMI) as determined by the U.S. Department of Housing and Urban Development (HUD) for the City and County of Honolulu, with an average of no more than 60% AMI. Only 3 units will be reserved for on-site property managers (defined as market rate units). The breakdown of the proposed number of affordable and market-rate units are as shown in Table 1 below:
Table 1: Proposed Affordable and Market Rate Units

<table>
<thead>
<tr>
<th>Affordable Units</th>
<th>Number of units</th>
<th>Percent of total units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted at:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>30% of AMI</td>
<td>82 units</td>
<td>10.3%</td>
</tr>
<tr>
<td>50% of AMI</td>
<td>401 units</td>
<td>50.1%</td>
</tr>
<tr>
<td>60% of AMI</td>
<td>314 units</td>
<td>39.3%</td>
</tr>
<tr>
<td>80% of AMI</td>
<td>0 units</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total Affordable Units:</strong></td>
<td><strong>797 units</strong></td>
<td><strong>99.6%</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Market Rate Units</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Market Rate Units:</strong></td>
<td><strong>3 units</strong></td>
<td><strong>0.4%</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Units</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Units:</strong></td>
<td><strong>800 units</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

a. State Land Use and City & County Zoning Districts

The HPHA Administrative Offices Redevelopment project site is located within the State Land Use Urban District (Exhibit 6). The proposed HPHA Administrative Offices Redevelopment project (“Proposed Project”) is consistent with the Urban designation, and no reclassification is required to implement the Proposed Project.

The Proposed Project property is currently zoned R-5 Residential, with a height limit of 25-30 feet (Exhibit 7). The intent of the R-5 Residential district is to provide areas for urban residential development. Along with the R-7.5 and R-3.5 districts, the R-5 Residential district is applied extensively throughout the island.

The maximum heights and densities for the Proposed Project are not consistent with the current R-5 zoning district and height limits. Therefore, exemptions from the City’s Land Use Ordinance (LUO) and zoning regulations per the site’s existing R-5 zoning will be requested for the entire parcel in this application. It should be noted, however, that the Proposed Project site is sandwiched between two areas zoned A-2 with 150-foot height limits, so the proposed use would be compatible with surrounding uses/zoning (Exhibit 7).

b. Primary Urban Center Development Plan

The Proposed Project property is located within the Primary Urban Center (PUC), which is envisioned as the key location for future urban growth and development on O’ahu. The PUC Development Plan (DP) Land Use Map illustrates the desired long-range land use pattern for the entire Primary Urban Center (Exhibit 8). An Urban Community Boundary defines and contains the intended extent of developed or built-up areas of urban communities. The Proposed Project property is designated as “Lower-Density Residential” and is within the designated Urban Community Boundary.

According to the PUC, “Areas designated Lower-Density Residential include neighborhoods in valleys and on ridges, such as Manoa Valley and Aiea Heights; neighborhoods around Aliamanu Crater and Salt Lake, including military housing; older portions of Aiea and Pearl City; and the neighborhoods surrounding Diamond Head.” Areas designated “Lower-Density Residential” are
mostly composed of established, single-family residential neighborhoods within Honolulu and Pearl City.

**Discussion:** The Proposed Project is not strictly consistent with the PUC Development Plan land use map designation (2004) of “Lower-Density Residential”, which generally refers to “single-family detached residences, attached houses, and low-density, low-rise multifamily residences that maintain a density between five and 12 dwelling units per acre.” The Proposed Project will have a density of about 133 units per acre, which is higher than the density generally allowed for in areas designated as “Lower-Density Residential.” Additional density is thus required in order to construct the (up to) 800 proposed affordable rental apartment units in an efficient and cost-effective manner, in order to assist in meeting the State of Hawai‘i’s legislative goal of providing at least 22,500 affordable rental housing units, ready for occupancy between January 1, 2017 and December 31, 2026 pursuant to Act 127, SLH 2016. Additionally the Proposed Project will create an opportunity for senior residents to access new, high-quality, sustainably-designed rental housing in the urban core of Honolulu in close proximity to a concentration of commercial and retail establishments, medical providers, an established bus line and two planned HART rail stations.

The Proposed Project is consistent with the following PUC Development Plan (DP) goals and objectives:

1. **The Role of the PUC in O‘ahu’s Development Pattern**

   The PUC DP states, “As part of the City’s overall strategy to 'keep the country, country' and to maintain a compact urban core,” the PUC, along with the ‘Ewa region, is expected to accommodate the majority of O‘ahu’s future population and job growth. The PUC is envisioned to be “a lively metropolitan city that is home to almost half of O‘ahu’s population and three-quarters of all jobs.”

   **Discussion:** The Proposed Project supports the role of the PUC in O‘ahu’s Development Pattern. The provision of affordable apartment units in the PUC, as proposed, reduces pressure to develop lands elsewhere on O‘ahu to accommodate population growth and furthers the strategy to reduce development pressures in rural areas. The Proposed Project is appropriately sited on a previously developed site, in a highly urbanized area, and within the existing service areas of utilities and infrastructure, and within convenient walking and biking distance of a concentration of medical providers, area commercial and retail, and an established bus line and two planned HART rail stations.

2. **Key Elements of the Vision for the PUC’s Future**

   The vision for the future of the PUC looks forward to the Honolulu of 2025. The following are key elements of the City's vision from Section 2 of the PUC DP. The italicized text below are direct quotes from the PUC DP.
Section 2.1: Honolulu’s Natural, Cultural and Scenic Resources are Protected and Enhanced

Within the city, the open space network links mauka lands and shorelines to parks and open spaces within the urban area. Stream greenbelts, numerous bikeways and pedestrian friendly streets connect major parks and open spaces.

Culturally- and historically-important sites, landforms and structures continue to be preserved and enhanced. Historic and cultural districts are improved and interpreted for visitors.

People enjoy the panoramic views of Honolulu’s mountain ridges, craters and coastlines from key vantage points. Within the city, view corridors are preserved through careful planning and design.

Discussion: The Proposed Project will provide a system of walkways that provides better connectivity to the surrounding community and street network. The internal roadways/driveways will be designed to support easy and convenient access for residents. A mix of other open spaces such as recreational decks, plaza spaces, and landscaped areas will encourage active outdoor living within an urban setting. Refer to Section 3.c.5 below for a discussion on historic preservation.

Section 2.2: Livable Neighborhoods have Business Districts, Parks and Plazas, and Walkable Streets

The PUC is an interconnected network of vibrant, distinct neighborhoods. Each has qualities that make it a livable and enjoyable place to live, work or play. The City and County of Honolulu supports an ongoing program of neighborhood planning and improvement.

Livable neighborhoods include business and community services as well as residences. Key to livability is convenient access to work and to the many services and attractions found in an urban center. Rather than segregate residential from commercial uses, the goal is to integrate them in ways that provide greater convenience and bring activity to neighborhood streets.

Livable neighborhoods have centers where people meet. In some neighborhoods, the center is a business district; in others, it is a popular park that has sports activities. Some neighborhoods have more than one center. In neighborhood business districts, shaded sidewalks and district parking support small shops open to the street.

In-town residential neighborhoods offer the greatest amenities for urban living. Consisting mostly of apartment dwellings, these neighborhoods are closest to employment centers, universities and cultural institutions. They are also close to grocery stores, shopping districts, and other government, health and commercial services. Proximity to rapid transit lines gives residents mobility and makes it possible to live with fewer automobiles. Newer apartment buildings are typically four to six stories tall, with shops and services on the ground floor. Small parks, plazas and “green streets” provide places for people to meet and for small children to play.

Discussion: The Proposed Project will be a mixed-use community incorporating residential, public office, limited commercial/retail and recreational uses. It is within walking and biking...
distance of a concentration of medical providers, retail and commercial establishments, promoting the development of a livable neighborhood and providing affordable senior rental housing in the urban core of Honolulu. The Proposed Project’s livability will be further enhanced by its proximity to both on-and off-site commercial uses found along Lili‘ha and School Streets, recreational facilities including Lanakila District Park, social services including Lanakila Health Center and Lanakila Multi-Purpose Senior Center, and convenient access to public transit. The proposed mix of open spaces including recreational decks and community gardens will provide gathering and recreation areas for residents and their guests. While the proposed buildings will be taller than those currently onsite, the proposed buildings will step back from North School Street, with the taller rental apartment buildings located interior to the development block, set back from the street front, to reduce their visual impact and allow for distant ‘Ewa and Diamond Head views. Further, street frontage on the ground floor of Phases 2 and 3 will be activated by community/retail uses, with plaza space and seating areas shaded by trees and awnings where feasible to enhance the street character for pedestrians. These pedestrian-oriented spaces may be used for community events such as farmers’ markets, craft fairs, and resident activities in association with the adjacent Lanakila Multi-Purpose Senior Center.

Section 2.3: The PUC Offers In-Town Housing Choices for People of All Ages and Income

More and more households are attracted to in-town residential neighborhoods because of the convenience and amenities of the urban lifestyle. They include a growing number of elderly moving to smaller quarters but wanting to remain near their home neighborhoods. Young families are drawn to in-town neighborhoods with convenient elementary schools and parks. Living close to work is more popular than ever.

Discussion: The Proposed Project will create up to 800 “in-town” affordable rental one- and two-bedroom apartments, nearly all targeted to senior households earning 30% to 80% of AMI, with an average of not greater than 60% AMI. In addition, up to 10,000 square feet of retail and commercial area will be provided onsite as well as open spaces and parking.

The Proposed Project will include up to three higher-density rental apartment buildings. The proposed buildings will be mostly setback, and stepped up from, North School Street. The Phase 2 and Phase 3 buildings will include commercial/retail storefronts along the ground floor to enhance the street character for pedestrians. Landscaping along the School Street frontage will include trees, to maintain the tree-lined appearance of this portion of North School Street.

Section 2.4: Honolulu is the Pacific’s Leading City and Travel Destination

The Primary Urban Center continues to be Oahu’s primary employment center and the center for many commercial, industrial, transportation and government functions essential to the State of Hawaii.”

Discussion: The Proposed Project will replace HPHA’s outdated, inefficient and sprawling campus with new administrative offices on a consolidated, more efficient footprint, freeing State land for urgently needed affordable rental housing.
Section 2.5: A Balanced Transportation System Provides Mobility

Honolulu’s balanced transportation system provides excellent mobility for residents, workers and visitors traveling throughout the Primary Urban Center. Streets are engineered to accommodate automobiles along with transit vehicles, bicycles and pedestrians.

Discussion: The Proposed Project is envisioned to create a more walkable and bicycle friendly environment with internal roadways/driveways that will be designed to support easy and convenient access for residents on foot or by bicycle. Traffic calming measures may also be installed to slow vehicle traffic through the site. The location of the Proposed Project in proximity to existing commercial, medical providers, recreational, and social services in addition to sidewalks and roads, bus lines, and the planned HART rail transit project make it an ideal development to contribute to the vision of a multi-modal PUC.

Chapter 3 of the PUC DP describes the policies and guidelines as they relate to the key vision statements in Chapter 2.

Section 3.1: Protecting and Enhancing Natural, Cultural and Scenic Resources

According to the Primary Urban Center Development Plan, natural, cultural and scenic resources provide the context for the PUC and provide its unique identity as a world-class city in a spectacular Pacific island setting. They create the city’s scenic backdrop, provide a balance to its buildings and homes, and define the unique settings for the PUC’s many neighborhoods and districts. This includes preserving historic or cultural sites with high preservation value and important vistas and focused views of significant natural and urban features and skyline profiles that make up or frame the PUC from publicly accessible places.

Scenic Views, Section 3.1.1.2 of the Primary Urban Center Development Plan, discusses the panoramic views of the urban skyline. Map A.1, Significant Panoramic Views depicts vantage points and orientation of major panoramic views within the Primary Urban Center. View objects identified in this section which may be impacted by the Proposed Project include the Ko‘olau Mountain Range, Lē‘ahi Crater (Diamond Head) and Pūowaina Crater (Punchbowl). This section also discusses panoramic views of the urban skyline from arrival points by air and sea, from above the Ko‘olau and from outlying areas to the east and west as an important aspect of the city’s image, as it establishes a distinctive identity for Honolulu, defines sub-districts within it, and provides directional orientation. See Significant Panoramic Views in Exhibit 9.

This section also notes that the lateral extent of Honolulu’s skyline is defined by Nu‘uanu Stream on the west and Kapi‘olani Park and Diamond Head on the east. At present, Downtown, with its taller profile and denser clustering of building emphasized by the low-rise profiles of the Chinatown and Hawai‘i Capitol Districts, is a visually prominent element of the skyline. Meanwhile, the skyline in the western portion of the Primary Urban Center is less pronounced than in Honolulu. The plan notes that recent high-rise developments in Kaka‘ako have begun to weaken this prominence, resulting in a high-rise “picket fence” emerging on the Kaka‘ako skyline.
The plan also discusses scenic views, or view “corridors,” in the DP’s Section 3.1.1.2 of mountains and the shoreline along streets that are aligned in the mauka-makai orientation. All of the streets mentioned are east of the Proposed Project site, with the view corridor furthest west located along Bishop Street; therefore none of the identified View Corridors are impacted by the Proposed Project. See Significant Panoramic Views in Exhibit 9.

Section 3.1.3.6, Parks and Recreational Open Spaces, recognizes the difficulty in acquiring land in the PUC for additional park land and recommends developing innovative approaches to make optimum use of existing parks and recreational resources such as building partnerships between public agencies and nonprofit organizations for joint use of facilities and complementary recreation programs, optimizing private sector contributions to open space through park dedication as properties are redeveloped, reassessing and reassigning the use of existing park land, and promoting linear connections in the recreational open space network by using existing public lands and right-of-way, where possible.

Discussion: As currently planned, most of the senior affordable residential units will be contained in three (3) main residential buildings consisting of approximately 17-story buildings. The maximum height of the tallest buildings will be approximately 153 feet. The Proposed Project site is at an elevation of approximately 45 feet above mean sea level (AMSL), and the land slopes steeply immediately mauka of the Proposed Project site to an elevation of approximately 160 feet AMSL at Hala Drive and approximately 200 feet AMSL at Skyline Drive. Therefore, these buildings should not significantly impact distant panoramic views of the horizon or natural landmarks such as Lē‘ahi Crater, Pūowaina Crater, Āliamanu Crater from certain viewpoints identified in the significant panoramic view map (Exhibit 9). The visual impacts from the Proposed Project, however, must take into consideration:

- the existing multi-family and single-family development of this area;
- existing buildings such as the Lanakila Senior Center, Maluhia Health Center, Kapuna I, Hale Po‘ai, Lanakila District Park Gymnasium and Lanakila Health Center;
- overhead utility lines along both sides of School Street (including 138kV lines on tall metal poles), and along the Diamond Head side of Lanakila Avenue; and
- the tall field lights at Lanakila District Park.

While there will be some surface parking along Ahiahi Street, most of the parking for residents, guests, tenants, and staff will be contained in parking structures adjoining the residential buildings. To hide views of cars and to attenuate noise from the parking structures, apartments are proposed to “line” the parking structures, and recreational open spaces are proposed on top of the parking structures.

The proposed mix of varied building heights and massing creates a more appealing urban form when viewed from a distance and from the adjacent streets and sidewalks. It breaks up the vertical mass of the buildings. The plan attempts to mitigate visual impacts (Exhibit 10), particularly to mauka-makai views and residential properties located closer to the Proposed Project by:

- Providing fewer rental apartment buildings and more space between the rental apartment buildings to preserve distant views;
- Activating the street level views with community/retail uses and lower- and mid-rise rental apartment buildings along the streets;
- Creating a more interesting skyline by varying building heights;
- Setting the rental apartment buildings back from the street frontage (where possible to minimize view of them from the street level; and
- Orienting the rental apartment buildings with their narrower sides facing the mauka-makai sides of the site and their wider side facing east-west to create view corridors to maximize mauka to makai views.

In terms of parks and recreational open spaces, there are several parks within walking distance of the Proposed Project including Lanakila District Park. Smaller open spaces, community gardens, and recreational decks with landscaping and recreational facilities are envisioned to be dispersed throughout the site creating a hierarchy of well-organized outdoor open spaces that bridge the interior and exterior elements.

As mentioned previously, Section 3.2 of the PUC DP identifies the key components of livability. Livable neighborhoods include residences within proximity to employment, business, community services and recreational amenities with facilities integrated in a manner that enhances accessibility and convenience, while encouraging walking and bicycling as alternative forms of mobility and promoting sidewalk activity. To cultivate livable neighborhoods, the PUC DP describes the different types of neighborhoods and “sets forth general land use policy for residential neighborhoods and the commercial districts that serve them” in Section 3.2. The following apply to the Proposed Project.

Section 3.2.1.3: In-Town Residential Neighborhoods

According to the Primary Urban Center Development Plan, “in-town residential neighborhoods” refer to “areas on the centrally-located coastal plains of Honolulu and ‘Aiea-Pearl City that are planned for higher-density residential use, ranging from older two- to four-story walk-up buildings to 40-story high-rise towers.” These higher density residential buildings can “take on a variety of forms and are often mixed with or located close to office and retail uses.”

“In-town housing is near jobs, shopping districts, hospitals, parks, and entertainment. Residents of these areas enjoy excellent access to all of the opportunities of the city, without having to rely exclusively on costly automobile transportation. Mixed-use is an essential component of the most livable in-town neighborhoods, and residents of these neighborhoods find parks and shopping in easy walking distance. Bicycling on the flat coastal plain is a practical mode of transportation, and transit provides a comfortable ride with fast connections.”

Some of the key livability issues include:

- **Single-use zoning**: Segregation of land uses forces residents to use cars to find shopping or recreational opportunities as essential services are not within walking distance.

- **Incongruous building relationships**: High and mid-rise buildings are physically isolated from other buildings and streets. Buildings have little or no relationship to their neighbors
and open space between buildings consist of service yards or parking lots with no trees or landscaping.

- **Automobile dominance**: Widening and conversion of key streets to one-way arterials, such as along North King and Beretania Streets, has resulted in reduced sidewalk widths, reduced on-street parking and reduced pedestrian activity. Entrances to commercial establishments and residences are typically separated from sidewalks by parking lots and garages, and adverse street and traffic conditions discourage walking.

**Discussion**: The Proposed Project directly addresses the key issues related to cultivating livable neighborhoods by integrating complementary land uses, creating functional relationships between buildings and uses and the street, and reducing automobile dependence. In addition, the Proposed Project provides recreational decks and landscaped open spaces for its residents and their guests.

**Section 3.2.2.3: Policies for In-Town Residential Neighborhoods**

Applicable policies of the Primary Urban Center Development Plan’s for cultivating livable neighborhoods include the following:

- **Density**: Areas close to transit lines and major east-west arterials should be zoned for medium-density residential, which may range from 13 to 90 units per acre, or high-density residential mixed use, which may range up to 140 units per acre. Neighborhoods in these zones would also include reinforcing uses which support resident lifestyle and livelihood choices, such as convenience or neighborhood stores, dining establishments, professional and/or business services, or other similar activities.

- **Building Heights**: Establish maximum building heights in apartment districts on the basis of view plane studies to preserve views of natural landmarks as indicated in Section 3.1.

**Discussion**: The Proposed Project is consistent with PUC DP’s policies for cultivating livable in-town neighborhoods. The Proposed Project will provide a convenient and efficient mix of governmental, residential, and community/retail uses, all within walking distance from an established bus line and within one mile of two future HART rail stations.

Ground floor community/retail uses will activate the street, creating a pedestrian-friendly streetscape further enhanced by landscaping, and nighttime lighting for safety. The internal roadways/driveways will be designed to support pedestrian and bicycle circulation and may also include traffic calming measures to slow vehicle traffic through the site. The Proposed Project walkways will provide more connections to the surrounding neighborhood.

The Proposed Project’s (up to) 800 units – nearly all targeted to senior households earning 30% to 80% of AMI, with an average no greater than 60% AMI – result in an overall density of the Proposed Project site of about 133 units per acre. This is higher than the PUC DP’s maximum density for areas designated “Lower-Density Residential”, and the proposed density and height are required in order to increase the number of residential units provided on a State-owned parcel to help alleviate the state’s affordable housing crisis.
The Proposed Project is located in the urban core of Honolulu, near public transit, in an existing urban environment in close proximity to existing apartment buildings.

The current Master Plan’s mix of varied building heights and massing creates a more appealing urban form when viewed from a distance and from the nearby streetscape, breaking up the vertical mass of the buildings. The plan attempts to mitigate visual impacts, particularly to mauka-makai views and residential properties, located closer to the Proposed Project by:

- Providing fewer rental apartment buildings and more space between the rental apartment buildings to preserve distant views;
- Activating the street level views with community/retail uses and lower- and mid-rise rental apartment buildings along the streets;
- Creating a more interesting skyline by varying building heights;
- Setting the rental apartment buildings back from the street frontage to reduce massing from the street level; and
- Orienting the rental apartment buildings with their narrower sides facing the mauka-makai and their wider side facing east-west to create view corridors and preserve mauka to makai views.

Section 3.3: In-Town Housing Choices

The PUC of the future “offers in-town housing choices for people of all ages and incomes.” This third element of the Vision addresses the need for affordable housing, both rental and for sale, in the PUC to serve families with young children as well as young adults, elderly residents, and multigenerational households.

The PUC DP cites the GP, which calls for the PUC to accommodate 47 percent of O‘ahu’s population— an increase of 67,000 people by the year 2025. Also, in 2000, the PUC had a higher percentage of renters (almost 50 percent) and older units in comparison to the rest of O‘ahu. The plan also notes that renters occupy more than 55 percent of the available housing units in Kalihi-Pālama, Downtown Honolulu, and Ala Moana-McCully, and these neighborhoods also had a high proportion of low- and moderate-income households. Pre-1969 walk-up apartments located in these neighborhoods comprise an important reservoir of affordable, in-town housing units.

While there have been attempts to build more affordable housing in the 1980s and 90s, the PUC DP notes that “most of the government-owned in-town sites were developed” by 2000 and “funding for new housing has been drastically reduced, making preservation and retention of existing affordable housing units an integral part and essential component of fulfilling housing needs of the PUC residents.”

“The PUC is essentially built-out – i.e., there is no reservoir of vacant land designated for future urban use. New housing is developed on lands which are underutilized or where it is not economical to maintain the existing uses or structures. This occurs primarily in older in-town districts where land values are relatively high, and there is a strong demand for higher use.”

Quoting the PUC DP, some of the existing key issues identified that hinder the development of new residences, especially new rental apartments, include the following:
• **Higher Prices**: Prices for all types of housing both sale and rental prices — are extremely high in the PUC. Higher prices for land and construction costs for high-rise structures make development of affordably priced housing units challenging.

• **Housing Preferences**: Due to the high price of real estate in the PUC, homebuyers seeking affordable housing are typically limited to apartment dwellings in the PUC. Living in multifamily housing in the PUC is readily accepted by elderly and other households without children but is viewed as less desirable by families who can afford to buy. In addition, families are also concerned about lack of schools and parks in PUC apartment neighborhoods.

• **Rental Unit Development**: Market conditions discourage the development of rental units. For many years, pure rental projects were developed only when heavily subsidized by government. Indirectly, rental units have become available as investors purchased individual condominium units and then rented them out.

• **Higher Risks**: Development of high-rise structures carries more developer risk since the structure must be completed, and investors fully extended, before any sales are closed. In addition, “Type 1” construction required for high rises is very expensive.

• **Infrastructure Deficiencies**: Infrastructure deficiencies are found in most of the older, in-town neighborhoods. Some affect broad areas and are costly to correct, such as insufficient capacity of a sewer trunk line or a pump station. In such cases, development cannot occur until the City makes improvements to expand capacity. For upgrading local water, sewer, or drainage lines, the developer typically bears the full cost of the required improvement (even though other properties may benefit as well). The cost of required infrastructure improvements can make a project infeasible.

• **Zoning Regulations**: Zoning regulations strictly limit the floor area and the lot coverage of apartment buildings. High minimum parking requirements, combined with limitations on lot coverage, force the development of costly structured parking. In addition to substantially increasing project design and construction costs, existing regulations force apartment buildings into a tower configuration with a parking pedestal.

The PUC DP further states that, “these factors limit the availability of affordable housing for middle- and lower-income families in the PUC. While the City and County of Honolulu cannot directly affect market factors, it can support new housing development by modifying zoning and building regulations and upgrading infrastructure.”

**Discussion**: The issues detailed above continue to affect development and highlight the difficulties faced by developers attempting to build high-density affordable housing in the PUC. The Proposed Project is one of the few major new affordable senior communities proposed within the PUC in many years. Nearly all of the residential units are proposed as affordable targeted to senior households earning 30% to 80% of AMI, with an average no greater than 60% AMI. Similar to other multifamily developments in the PUC, the Proposed Project will require substantial public investment to complete, but will be designed in substantial conformance with the desired pattern of development stated in earlier vision statements and policies of the PUC DP. The City is also
working on improvements to the wastewater system in the area and the development team will continue to work closely with the City and other utilities to provide adequate infrastructure to the Proposed Project.

Section 3.3.2: Policies related to In-Town Housing Choices

The following policies are intended to promote housing choices in livable in-town neighborhoods that are planned for higher-density residential and mixed uses.

- **Reduce costs for apartment homes:** Reduce construction costs and promote low-rise buildings by allowing less expensive building construction types while maintaining health and safety. Reduce land costs by allowing greater dwelling unit density while limiting building volume consistent with promoting livable neighborhoods.

- **Provide adequate parks and schools for in-town neighborhoods:** Community parks and recreation facilities should be provided in and near residential neighborhoods. To attract young families, access to elementary schools must be assured.

- **Expand the capacity of infrastructure, including water supply, sewers, and storm drains:** Government needs to lead both planning and investment in renewing and expanding infrastructure. To remedy district- or neighborhood-scale infrastructure constraints is beyond the capability of individual landowners. Likewise, paying for relief lines and larger-scale projects that will benefit multiple landowners requires government leadership in providing long-term financing and apportioning costs.

- **Preserve the current inventory of affordable rental housing units.** The City should assure that the current inventory of affordable rental units, whether owned by the City or not, is preserved and retained as affordable rentals.

- **Provide incentives and cost savings for affordable housing.** Provide exemptions from zoning and building codes for housing projects that meet established standards of affordability, on a case-by-case basis.

- **Provide for high-density housing options in mixed-use developments around transit stations.** This type of “transit-oriented development” would facilitate transit use and allows for increased densities without generating increased vehicular congestion.

**Discussion:** The Proposed Project is a mixed-use development on State-owned land, which is currently underutilized given the State’s housing crisis. It will provide much-needed affordable senior rental units in the urban core of Honolulu near existing public bus lines and two future HART rail stations.

The Proposed Project consists of up to 800 affordable one- and two-bedroom residential rental units targeted to senior households earning 30% to 80% of AMI, with an average no greater than 60% AMI. Incentives and exemption requests, intended to reduce costs for the affordable units, will be sought during the permitting and approval process. The development team is also working with the City and other utility providers to ensure infrastructure is available to support the Proposed Project.
Section 3.3.3: Guidelines related to In-Town Housing Choices

- In order to implement Development Plan policies, review and revise zoning regulations for apartment districts and other zoning districts that allow multifamily dwellings.
- Review and revise zoning and building regulations to allow more flexibility in design and reduce the cost of multi-family structures.

Discussion: The Proposed Project is consistent with the PUC DP’s policies for providing for in-town housing choices. The Proposed Project will provide a convenient and efficient mix of residential, governmental, and community/retail uses, all within walking distance from an established bus lines and two future HART rail stations.

Section 3.5 of the Primary Urban Center Development Plan addresses the need to ‘‘develop a balanced transportation system that reduces reliance on cars and improves alternate modes connecting neighborhoods and activity centers.’ Full development of the Primary Urban Center, as called for in the O‘ahu General Plan, can only be achieved with the support of a well-conceived transportation system that is tightly integrated with land use policies and regulations.”

Relevant policies and guidelines (Section 3.5.2 and 3.5.3, respectively) for a Balanced Transportation System include the following and are discussed below.

Section 3.5.2: Policies for a Balanced Transportation System

- **Implement land use strategies to achieve a balanced transportation system.** To improve the quality of life in the Primary Urban Center and to accommodate growth, development initiatives and regulatory controls should promote the growth of sustainable and appropriate alternative urban travel modes such as transit, walking, and biking.

- **Implement Transportation Demand Management strategies.** Due to the limited land area and high costs, it is increasingly necessary to shift from increasing roadway and parking capacity to policies and practices that reward use of transit and other alternative modes.

- **Implement the Honolulu Bicycle Master Plan.** Institutionalize the policy that every street and highway on which bicycles are permitted to operate is a “bicycle street,” designated and maintained to accommodate shared use by bicycles and motor vehicles.

- **Enhance and improve pedestrian mobility.** Create special pedestrian districts and corridors and a regional network of pedestrian facilities. Comprehensively address pedestrian safety concerns related to vehicle speeding and excessive volumes on local streets and neighborhood collector streets.
Section 3.5.3: Guidelines for a Balanced Transportation System

- Identify and stimulate transit-oriented development on potential infill and redevelopment properties within the rapid transit corridor. Examples of development stimulators include tax incentives, development code amendments, and public infrastructure investments.

Discussion: While these policies and guidelines primarily relate to larger-scale regional improvements and to City related actions, the Proposed Project will be a mixed-use, bus- and TOD-oriented development of an existing infill site located within the PUC. The internal roadways/driveways will be designed to support safe pedestrian and bicycle circulation through the site to area bus stops. The Proposed Project will support the use of existing transit systems through integration of multimodal facilities such as bicycle parking and sidewalks in the site design to improve accessibility to public transit systems. The use of alternative modes of transportation will reduce individual car trips and promote a healthier lifestyle. Thus, the Proposed Project’s impacts to transit facilities and services are intended to support ridership as recommended in the PUC DP.

Section 3.h.4 of this application discusses in further detail the transportation and circulation recommendations, and how the Proposed Project supports improvements to area pedestrian, bicycle, and transit facilities. The Proposed Project’s strong orientation toward “smart growth,” creating a multi-modal street network, and bus-based, transit-oriented development is consistent with the Primary Urban Center Development Plan’s policies and guidelines described above.

Chapter 4 of the PUC DP discusses the infrastructure and public facilities that are “vital to all PUC communities. It is intended to give direction to the long-range functional and facility plans that should be prepared by each of the respective service agencies.” While intended for City agency implementation, the relevant policies and guidelines for each of the public services are highlighted below and include the respective relevant section of the EIS to reference.

Section 4.1.2: Policies for Water Allocation and System Development

- Adapt water conservation practices in the design of new developments and modification of existing uses, including landscaped areas.

Section 4.1.3: Guidelines for Water Allocation and System Development

- Conserve the use of potable water by implementing the following measures. as feasible and appropriate:
  - Install low-flush toilets, flow restrictors, rain catchment barrels, plumbing fixture meters, and other water conserving devices in commercial and residential developments.
  - Promote xeriscaping techniques to reduce water use in landscaping by using various ground cover, drought-tolerant plant material and efficient irrigation systems in landscaped areas.
  - Reuse tertiary treated wastewater effluent, brackish water sources, storm runoff and surface reservoirs for the irrigation of golf courses, parks, other open landscaped areas, and industrial use.
Discussion: In order to reduce the amount of potable water required to serve the Proposed Project, all efforts will be made to include water reducing design elements into the Proposed Project, such as low flow and ultra-low flow fixtures, and automated irrigation systems with moisture sensors to prevent overwatering. Landscaping will incorporate native and hardy climate-adapted plants that do not require significant amounts of water wherever possible. Water related issues are discussed in detail in Section 3.h.1.

Section 4.3.2: Policies for Electrical Power

- Promote and implement energy conservation measures and integrated resource planning.
- Planning and building of new or relocated transmission lines should take into consideration system and cost concerns, and the impacts on the environment. Options to place utility lines underground should be considered, and priorities should be established.

Section 4.3.3: Guidelines for Electrical Power

- In planning new or relocated substations or transmission lines, the selection of the site or route of such facilities should avoid or mitigate adverse impacts on scenic and natural resources.

Discussion: The Proposed Project will be designed to be as energy efficient as possible and will consider renewable energy generation such as solar PV to help offset the projected electricity demand. In addition, to help mitigate the visual impact, the onsite electrical and telecommunications utility lines will likely be placed underground and the design of the duct system will be in accordance with the specifications and standard practices of the respective utility companies utilizing the duct system. Additional discussion regarding electrical system is provided in Section 3.h.5.

Section 4.5.2: Policies for Solid Waste

- Reduce the solid waste stream by encouraging recycling and reuse.

Section 4.5.3: Guidelines for Solid Waste

- Promote waste recycling by expanding collection facilities and services, and public outreach and education programs.

Discussion: The Proposed Project will support recycling for household, office, and community/retail uses as well as green wastes generated onsite. Detailed design will include onsite facilities to support separating wastes into recyclable and non-recyclable materials and for central collection facilities within the buildings. Retirement Housing Foundation and HPHA will also work with the City and contracted collection services to ensure as much recyclable materials are diverted from the waste stream from the Proposed Project as they will be managing ongoing operations of the site once construction is complete. Best management practices during construction will also be implemented including every effort to divert materials that can be reused or recycled from landfills as well as minimizing the amount of waste generated. Where feasible, LEED Silver standards will be used as the guide for material selection.
Section 4.6.2: Policies for Stormwater Systems

- Require methods of retaining or detaining stormwater for gradual release into the ground as the preferred strategy for the management of stormwater. Where feasible, utilize open spaces including parking lots, landscaped areas, parks, and golf courses to detain or infiltrate stormwater flows to reduce their volume and runoff rates. (City Council Resolution No. 94—296).

- Manage stormwater flows through best management practices to minimize stormwater runoff and peak discharge rates.

- Preserve stream and estuarine habitats.

Section 4.6.3: Guidelines for Stormwater Systems

- Integrate planned improvements to the drainage system into the open space network by emphasizing the use of retention basins, the creation of passive recreational areas, and recreational access for pedestrians and bicycles without jeopardizing public safety.

- Establish best management practices to guide stormwater management within the Primary Urban Center.

- Design and construct stormwater infrastructure in areas that contribute to high inflow and infiltration into the wastewater collection system.

Discussion: The Proposed Project will be designed and built in compliance with all applicable Federal, State, and City regulations pertaining to storm water management including the City & County of Honolulu’s grading ordinance, water quality rules, erosion and sediment control, and LID requirements, and the DOH NPDES permit program. To prevent indirect or cumulative impacts on streams and nearshore resources, BMPs will be implemented during and after construction to prevent erosion from the Proposed Project into storm drains and the long-term build-up of sediments. Compliance with the City's newly adopted "Rules Relating to Water Quality" and LID measures will also mitigate any potential impacts to nearshore resources. Additional measures may include garbage enclosures to prevent leakage or runoff into stormwater drainage areas and the installation of underground cisterns to help capture potential pollutants prior to entering the Proposed Project’s drainage system. Additional discussion on the drainage system is provided in Section 3.h.3.

Section 4.8.2: Policies for Civic and Public Safety Facilities

- Provide adequate staffing and facilities to ensure effective and efficient delivery of basic governmental service and protection of public safety.

Discussion: The Proposed Project is not anticipated to substantially increase regional population since it is anticipated that future residents will be relocating from the surrounding Lanakila neighborhoods or elsewhere on O’ahu. On-site managers and support staff will be provided by the Proposed Project to ensure the effective and efficient operations of the senior affordable rental apartments. Meanwhile, HPHA’s administrative offices and existing staff will be consolidated into a single, efficiently designed, approximately 30,000 square-foot (SF) Office Building at the ‘Ewa end of the Proposed Project site, thereby facilitating more effective and efficient delivery of the government agency’s crucial public services.
1. **Neighborhood Transit-Oriented Development (TOD) Plans**

In conjunction with the Honolulu Rail Transit project, the City and County of Honolulu is planning for transit-oriented development (TOD) around the future rail transit stations. TOD refers to compact, mixed-use development within ¼ to ½ mile, or a five to ten-minute walk, of a rail station. This form of urban development takes advantage of and helps build transit ridership, creating more options for where residents live and how they travel.

The Proposed Project is located within a mile of both the Kapalama and Iwilei Rail Stations. The Kapalama Rail Station is located within the Kalihi Neighborhood TOD area. The Iwilei Rail Station is one of three rail stations within the Downtown Neighborhood TOD Plan area.

While Kapalama Canal is a natural mauka-makai connection that could link the Proposed Project site with the Kapalama Rail Station, the H-1 Freeway acts as a barrier, forcing most pedestrians, bicyclists and drivers to use either Waiakamilo Road or Liliha Street to access the area around the Kapalama Rail Station site.

While the Iwilei Rail Station site is also not directly connected to the Proposed Project site, it is more easily accessed by pedestrians, bicyclists and bus riders (from around the Proposed Project site), via North School and Liliha Streets. According to the Downtown Neighborhood TOD Plan, the most transformative vision for TOD around the Iwilei Station Area is the new high-intensity mixed-use Iwilei district:

> “This new full-service urban neighborhood includes residences, public facilities, and neighborhood services, including retail, entertainment and restaurant uses. It serves as an extension of Downtown and a transition to the Kalihi area. A network of new streets provides better access to the transit station, and better connects the area to the waterfront and to Downtown.”

The Guiding Principles for the Downtown Neighborhood include:

1. Develop a Vibrant Mixed-Use Downtown
2. Enhance Downtown’s Waterfront Orientation
3. Expand Housing Opportunities and Provide a Range of Housing Types
4. Balance Density with Green Space
5. Create an Integrated and Convenient Transportation Network
6. Provide Quality Public Improvements

Of these, the Proposed Project is clearly supportive of the last four Guiding Principles.

- **Expand Housing Opportunities and Provide a Range of Housing Types.** The Proposed Project will provide up to 800 apartments which will be affordable to seniors with incomes of 30% to 80% of the City and County of Honolulu’s annual median income (AMI), with an average no greater than 60% AMI. With Honolulu’s rapidly aging population, the demand for new affordable housing for this segment of the population (on fixed incomes) is greater than the available supply.
• **Balance Density with Green Space.** The Proposed Project is uniquely situated next to a large existing park (Lanakila District Park). Additionally, the open space areas of the Proposed Project (including some roof decks) will be landscaped and provide space for a variety of recreational opportunities.

• **Create an Integrated and Convenient Transportation Network.** The Proposed Project site is already located along a major east-west bus line (Route 2), which connects the Kalihi Transit Center, the Proposed Project site, Downtown Honolulu, Ala Moana (via Keeaumoku Street), Waikiki, Kapahulu and Kapiolani Community College. In some respects, the Proposed Project site’s adjacency to this important bus line qualifies the Proposed Project as TOD.

    Additionally, School Street is planned to receive “Complete Streets” treatment to allow for more multimodal transportation opportunities. The Proposed Project will be designed to include convenient pedestrian access to a bus stop fronting the Proposed Project site on North School Street. To support bicyclists, the Proposed Project will include bicycle parking.

• **Provide Quality Public Improvements.** The Proposed Project involves demolition of the existing antiquated HPHA Administrative Offices and its relocation to new, modern offices on a portion of the site to allow the development of up to 800 new affordable rental units for seniors with incomes 30% to 80% of Oahu’s AMI, with an average no greater than 60% AMI.

    So while the Proposed Project is not located in the Downtown Neighborhood TOD Plan, its purpose and proposed design is very much in keeping with the Guiding Principles of this Plan.

The City’s zoning and land use regulations will translate Downtown Neighborhood TOD Plan policies into specific use regulations, development standards, and performance criteria that will govern development on individual properties. The TOD Plan establishes the policy framework, while the Land Use Ordinance prescribes standards, rules, and procedures for development. The Downtown Neighborhood TOD Plan includes specific recommendations addressing various land use and development standards for the following topics:

1. Land Use
2. Building Heights & Density
3. Affordable Housing
4. Parking
5. Yards
6. Publicly Accessible Open Space
7. Building Design

• **Land Use** – “The station areas should contain a mix of complementary uses that enable the community vision of ‘a livable urban community with a range of uses, reflecting the area’s central location, rich cultural heritage, and transit access.’” The Proposed Project is envisioned to be a cohesive community that combines a mix of residential, retail, commercial, and public office spaces in a compact, transit oriented development located nearby Downtown Honolulu’s Primary Urban Center and existing concentrations of retail, commercial and medical facilities. The Proposed Project’s unique mixed-use character and
high-quality design will create a new community with comfortable roadways and walkways for walking or biking, and a mix of uses complementary to the surrounding neighborhood. The Proposed Project site also provides convenient access to public transportation including existing bus lines and two planned HART rail stations located less than one mile from the Proposed Project site.

- **Building Heights & Density** – The Proposed Project is sited across from other apartment buildings in the area. The proposed building heights and density are necessary towards achieving the State of Hawai‘i’s legislative goal of providing at least 22,500 affordable rental housing units, ready for occupancy between January 1, 2017 and December 31, 2026, pursuant to Act 127, SLH 2016.

- **Affordable Housing** – “Maintaining and producing affordable housing in the Downtown corridor is a central component of the community’s vision for TOD.” No public housing is included in the Proposed Project. All residential units within the Proposed Project will be designed and built as affordable senior rental housing which, in the context of identifying the persons intended to be served by such housing, would primarily include senior households whose incomes are between 30% and 80% of the area median income (“AMI”), with an average no greater than 60% AMI.

- **Parking** – “Appropriate parking regulations are essential in making the most efficient use of land and in meeting broader community planning objectives... Allow for reductions in parking where special conditions exist - such as the nature of the proposed operation... or the characteristics of persons residing, working, or visiting there...” The Proposed Project could implement some transportation demand management (TDM) strategies to reduce overall site-generated traffic volumes. Application of TDM strategies that could lead to vehicle trip reduction, use of alternative modes, and better traffic management at the site could include, but are not limited to:
  - Implementation of a detailed TDM program for residents and retail employees, which would be managed by a TDM coordinator who would organize and coordinate monitoring efforts, parking and traffic management plans, and the implementation of TDM and recommendations and modifications.
  - Provision of a transportation kiosk and on-line portal for information on ride-sharing, transit, bicycling, walking, and other options for accessing the site without using a private automobile.
  - Partial- or fully-subsidized transit passes for on-site employees and/or residents.
  - Provision of bicycle racks adjacent to retail development, at communal open space, and rental apartment buildings within the Proposed Project site.
  - Dedicating space on the property frontage to accommodate a future Biki bike share station.

- **Yards** – “Yards in the TOD Zone should contribute to an active, pedestrian-oriented mixed-use environment.” Present plans for landscaping along North School Street, include a paved path along the property frontage (in addition to the existing sidewalk), sidewalks alongside the Proposed Project entry road, retaining the existing bus stop, sidewalks to proposed neighborhood commercial spaces and meeting facilities, bench seating and shade trees.
• **Publicly Accessible Open Space** – “All publicly accessible open spaces should be designed to be visible from the public right-of-way, accessible, and safe.” As noted above, the front yard along North School Street is planned for safe, publicly accessible open space.

• **Building Design** – “Built form within the TOD Zone is expected to contribute to an active and vibrant pedestrian experience. The architectural elements of all buildings should enhance the pedestrian experience...” The Proposed Project will be designed so that buildings will be oriented to North School Street pedestrian realm. Building facades will be parallel to the North School Street right-of-way and will open directly onto the sidewalk or onto a pedestrian walkway within the front yard. Facades of the proposed apartment buildings will be designed to provide a sense of entry and visual interest from the public realm (North School Street).

c. **Current and Historic Site Conditions**

1. **Address**: 1002 North School Street, Honolulu, HI 96817. (Please refer to *Exhibit 3* for a location map.)

2. **Land Area**: Approximately 6+ acres

3. **Land Owner**: State of Hawai‘i; HPHA holds the deed to the property.¹ (Please refer to *Exhibit 2*.)

4. **Existing Site Conditions**

The Proposed Project site is located on the site of the existing HPHA Administrative Offices, located at 1002 North School Street, Honolulu, Hawai‘i, on the Island of O‘ahu. (Exhibit 3). The Proposed Project site is most closely associated with two ahupua‘a, Kalihi and Kapālama (a region generally referred to as Lanakila). The site consists of a portion of one parcel identified as TMK: 1-6-009:003 (por.), a 6+ acre site owned by HPHA, with Ahiahi Place bisecting it. The property is bounded by two existing roadways: North School Street and Lanakila Avenue.

The Proposed Project site currently houses the administrative offices and maintenance facilities supporting HPHA’s operations. The site is inefficient and contains thirteen low-rise buildings dispersed throughout the Proposed Site that are outdated and functionally obsolete. Five of these buildings are over fifty years of age: 1) the original administration building built in 1955 (Building A); 2) and 3) a maintenance shop and a semi-attached central store room (together referred to as Building D); 4) a set of garages; and 5) a facilities office building (Building C). The present administration building (Building E) was erected in 1978. None of these buildings is of important significant value. More information on these buildings can be found in Exhibit 11 and in the following section (“Historic Site Considerations”) below.

The Proposed Project does not include Puahala Homes, a series of low-rise public housing properties managed by HPHA located along the northern perimeter of the Proposed Project site. See Aerial Photo in Exhibit 5.

---

¹ The property had previously been “leased to” HPHA per Executive Order No. 1274; however, EO 1274 was cancelled by the Governor in 2019 and the land was transferred to HPHA by the DLNR.
5. Historic Site Considerations

A reconnaissance level survey (RLS) conducted by Fung Associates, Inc. (FAI) in 2016 identified thirteen buildings on the Proposed Project site (see the Reconnaissance Level Survey in Exhibit 11 and Reconnaissance Level Survey Coverage Map in Exhibit 12). Of the total, only five were over fifty years of age:

1. the 1955 administration building (Building A);
2. a maintenance shop;
3. a semi-attached central store room (together with the maintenance shop, referred to in the RLS as Building D)
4. a set of garages; and
5. a facilities office building (Building C).

The present administration building (Building E) was erected in 1978, following plans by Ossipoff, Snyder, Rowland & Goetz (see Exhibit 12 for Reconnaissance Level Survey Coverage Map). In follow-up correspondence with Fung Associates in May 2020, it was confirmed that Building E (built in 1978), as well as another building (built in 1996), are under fifty years of age and not eligible for listing in the Hawai'i and National Registers of Historic Places. The remaining buildings on the Proposed Project site had been altered or are more temporary type structures, so they are not considered eligible and no further research was conducted on them for the RLS.

The five buildings over fifty years of age identified in the RLS appear to meet criterion C for listing in the Hawai’i and National Registers of Historic Places. Although significant, the 1955 Hawai’i Housing Authority (HHA, precursor to HPHA) administration building and the buildings associated with the authority’s maintenance efforts, do not appear to have high preservation value (FAI 2016). The 1955 administration building’s lanai has been partially enclosed and a small addition has been added to its front. In addition, the interior has undergone remodeling over the course of time. The maintenance yard buildings are utilitarian, and a number of other buildings of similar design and function still remain standing throughout the Islands. According to FAI, none of these five buildings are of high preservation value.

The RLS noted that, should the Proposed Project have an adverse effect on the existing buildings (e.g., demolition), “documentation according to Historic American Buildings Survey (HABS) standards and interpretation would appear to be reasonable mitigation.” On October 4, 2017, SHPD wrote that it accepts the RLS, and that it looked forward to receiving the 6E submittal packet, 6E submittal form, building permit application, permit set, plans and photographs.

With regard to archaeological resources, the findings of an October 2016 archaeological surface inspection (see Exhibit 13) coupled with previous DLNR-SHPD/SHPO determination, indicate that the Proposed Project on the current Proposed Project site is not anticipated to have an effect on archaeological resources. In the unlikely event that any potential such resources or human skeletal remains are encountered during ground disturbing work in the Proposed Project site, work in the immediate vicinity of the discovery will be immediately halted and DLNR-SHPD contacted as outlined in HAR 13§13-275-12.
d. Climate Hazard Vulnerability and Mitigation

1. **Flood Zone**: “Zone X” on the Flood Insurance Rate Map (FIRM), Exhibit 14.

2. **Tsunami Inundation Zone**: The Proposed Project site is not in a designated tsunami evacuation zone and is not expected to be adversely impacted by a tsunami. (Refer to Exhibit 15.)

Because the Proposed Project site is located in an area outside the tsunami evacuation zones and the 500-year floodplain, the proposed improvements are not expected to: 1) be highly susceptible to flooding; 2) change the 500-year floodplain; or 3) affect the floodway, and are consistent with HRS § 205A-2 objectives and policies related to coastal hazards. All increases in runoff will be retained onsite as required to meet City standards and onsite drainage will be designed to flow away from buildings towards landscaped areas and underground cisterns.

e. Relocation and Transition of Tenants

The Proposed Project will not involve the relocation of any tenants, as the Proposed Project site presently contains no housing or residents. While there are existing HPHA staff located on the Proposed Project site, the Proposed Project involves the construction of a new office building, and existing HPHA administrative staff are expected to remain on site. Meanwhile, HPHA is currently evaluating alternative off-site locations for its maintenance facilities and staff.

f. Proposed Housing and Amenities

The proposed (up to) 800 affordable senior residential rental units will be provided in three mid-rise (approximately 17-story) apartment buildings, up to 153’ in height, and a series of lower-rise (approximately 7-story) apartment buildings along North School Street. The taller portions of the buildings are set back from the street and oriented mauka-makai to minimize impact to distant mauka views. The residential units and support facilities are expected to be built in three phases, with 250 units proposed in Phase 1A, 250 units in Phase 2, and 300 units in Phase 3. The exact number of units in each phase may shift as the design is finalized, depending on factors such as cost and site constraints, but the overall total of (up to) 800 units will remain unchanged.

The following table (Table 2) shows a preliminary breakdown in the number of units anticipated to be provided in each of the income qualification segments by area median income (AMI). The exact number in each phase is unknown at this time and there may be shifts within the affordability segments. However, the provision of 99.6 percent affordable rental units with an average no greater than 60% AMI and 0.4 percent market rate units will be targeted for the Proposed Project as a whole.
**Table 2: Units in Each Income Qualification Segment**

<table>
<thead>
<tr>
<th>Restricted at % of AMI:</th>
<th>30%</th>
<th>50%</th>
<th>60%</th>
<th>80%</th>
<th>Market</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-Bedroom</td>
<td>65</td>
<td>320</td>
<td>254</td>
<td>--</td>
<td>--</td>
<td>639</td>
</tr>
<tr>
<td>2-Bedroom</td>
<td>17</td>
<td>81</td>
<td>60</td>
<td>--</td>
<td>3</td>
<td>161</td>
</tr>
<tr>
<td>Total</td>
<td>82</td>
<td>401</td>
<td>314</td>
<td>--</td>
<td>3</td>
<td>800</td>
</tr>
<tr>
<td>% Units</td>
<td>10.3%</td>
<td>50.1%</td>
<td>39.3%</td>
<td>0.4%</td>
<td>0.4%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Exhibit 4 shows the preliminary site plan with the proposed setbacks ranging from 24’ to 80’ from North School Street and Lanakila Avenue. All residential units will also be set back from the overhead Hawaiian Electric Company (HECO) power lines along North School Street. The site plan also shows how the development will be phased, including realigning Ahiahi Street and providing a new internal common driveway to improve connectivity through the site and integrate the redevelopment within the fabric of the surrounding neighborhood.

Landscaped and open spaces have been designed to soften streetscapes, provide comfortable places to recreate, gather with family and friends, and reconnect with nature. Open spaces, community gardens, and recreational decks are dispersed throughout the site creating a hierarchy of well-organized outdoor open spaces that bridge the interior and exterior elements and provide opportunities for future residents to enjoy the outdoors, grow their own food for better health and wellness, and recreate. Culturally significant plants and lei plants will also be considered in the landscape design of the Proposed Project so the plantings can serve multiple purposes of being useful as well as providing shade, comfort, and aesthetics. To the extent possible, the existing trees in the grassy area fronting North School Street will be retained, and new street trees may be added where feasible to provide shade for pedestrians.

HPHA’s administrative offices will be consolidated into a single, efficiently designed, approximately 30,000 square-foot (SF) Office Building at the ‘Ewa end of the Proposed Project site. Up to 10,000 SF of retail and commercial or multi-purpose (public and/or meeting facility) space is proposed on the lower floors of the mixed-use buildings. The specific uses are yet to be determined but they provide an opportunity to activate street frontages and encourage pedestrian access between residential and commercial uses. They will not only serve the new residents but complement the diverse commercial uses already in the area and provide additional services and job opportunities.

HPHA is currently in talks with representatives of the adjacent Lanakila Multi-Purpose Senior Center (LMPSC) as well as elected officials to explore the synergy between LMPSC facilities and the Proposed Project.

In design, construction, and operation, the Proposed Project will incorporate as many sustainable features as financially feasible and will implement best management practices such as energy conservation and environmental stewardship. Examples of sustainable features and strategies may include: photovoltaic (PV) systems; LED lights; passive design; daylighting; Energy Star appliances; preferred parking for low-emitting vehicles; low VOC (volatile organic compound) paints & materials; native landscaping; biophilic design elements; and environment monitoring & controls.
g. Proposed Parking

Off-street parking is proposed as structured parking to increase site efficiencies and will be wrapped by the apartment buildings. This will help minimize views of the parking from the street and provide direct access to the residential buildings wherever possible. The number of parking stalls are estimated at approximately 772 parking stalls for Phases 1A, 2, and 3 (see Table 3 below). This includes resident, visitor, employee, and ADA-accessible stalls, which will be provided in the required proportions. This exceeds the minimum number of stalls required under the current Chapter 21, Revised Ordinances of Honolulu (ROH) Land Use Ordinance (LUO) Special Provision for Elderly Housing (0.25 stall per unit) and for the mix of office, community, and commercial uses and therefore an exemption will not be required. In compliance with the City’s Bill 25 (2019) Relating to the Adoption of the State Energy Conservation Code, the required number of electric vehicle (EV)-ready stalls will be provided for the applicable public parking spaces. As the affordable housing units will be for rent to households earning between 30 and 80 percent of the AMI, with an average no greater than 60% AMI, none of the newly-added (residential or visitor) parking stalls are required to be EV-ready under Bill 25 (2019). A total of 100 parking stalls will be provided for the staff and visitors of the Administrative Office Building (Phase 1B), approximately half of which will be provided in Phase 1B, and the other half will be provided in the Phase 1A parking structure. See Table 3 below for Estimated Parking, as well as Table 6 for Requested Exemptions.

In addition, parking stalls are planned to be provided for the adjacent Lanakila Multi-Purpose Senior Center (LMPSC) to replace the existing stalls that have been reserved for its staff, members, and guests. The exact number of stalls for the LMPSC has yet to be finalized.

Table 3: Estimated Parking

<table>
<thead>
<tr>
<th>Phase</th>
<th>Type of Stall</th>
<th>LUO Minimum Requirement</th>
<th>Stalls Required by LUO</th>
<th>Stalls Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>PHASE 1A (250 units)</td>
<td>Resident</td>
<td>0.25 stall/unit</td>
<td>63</td>
<td>220</td>
</tr>
<tr>
<td></td>
<td>Visitor</td>
<td>10% of unit count</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td>Subtotal:</td>
<td></td>
<td></td>
<td>88</td>
<td>245</td>
</tr>
<tr>
<td>PHASE 1B (Office Building)</td>
<td>Public Uses &amp; Structures</td>
<td>As determined by DPP director</td>
<td>---</td>
<td>48</td>
</tr>
<tr>
<td>Subtotal:</td>
<td></td>
<td></td>
<td>---</td>
<td>48</td>
</tr>
<tr>
<td>PHASES 2+3 (550 units)</td>
<td>Resident</td>
<td>0.25 stall/unit</td>
<td>138</td>
<td>410</td>
</tr>
<tr>
<td></td>
<td>Visitor</td>
<td>10% of unit count</td>
<td>56</td>
<td>56</td>
</tr>
<tr>
<td></td>
<td>Commercial</td>
<td>1 stall/400 SF</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td>Community</td>
<td>1 stall/350 SF</td>
<td>26</td>
<td>36</td>
</tr>
<tr>
<td>Subtotal:</td>
<td></td>
<td></td>
<td>245</td>
<td>527</td>
</tr>
<tr>
<td>Total:</td>
<td></td>
<td></td>
<td>333</td>
<td>820</td>
</tr>
</tbody>
</table>

The appropriate number of off-street loading spaces will be provided in accordance with LUO Sec. 21-6.100. However, exemptions are requested to allow for small-sized loading spaces for the retail, community, and office uses. See Table 4 below for Estimated Off-Street Parking, as well as Table 6 for Requested Exemptions.
Table 4: Estimated Off-Street Loading

<table>
<thead>
<tr>
<th>Use Category</th>
<th>Floor Area (SF) or Number of Units</th>
<th>Loading Spaces Required by LUO</th>
<th>Proposed Project</th>
<th>Loading Spaces Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multifamily dwellings (i.e., apartments)</td>
<td>Up to 300 units: Each add’l 200 units (or fraction thereof):</td>
<td>2 spaces 1 space (x 3)</td>
<td>Up to 800 units</td>
<td>6 spaces (3 large and 3 small)</td>
</tr>
<tr>
<td>Retail</td>
<td>2,000-10,000 SF</td>
<td>1 space</td>
<td>10,000 SF (approx.)</td>
<td>1 space (small)</td>
</tr>
<tr>
<td>Community</td>
<td>5,000-10,000 SF</td>
<td>1 space</td>
<td>9,500 SF (approx.)</td>
<td>1 space (small)</td>
</tr>
<tr>
<td>Office</td>
<td>20,000-50,000 SF</td>
<td>1 space</td>
<td>30,000 SF (approx.)</td>
<td>1 space (small)</td>
</tr>
</tbody>
</table>

Modification to the bicycle parking requirement will be requested including the reduction in the number of short- and long-term bicycle spaces required by Section 21-6.150 of the LUO for residential buildings, as well as a requested reduction in the number of short-term bicycle spaces for the Office Building (see Table 6). The Proposed Project also proposes to provide space along the site frontage for up to two bike share stations as an alternative to supplement the required number of bicycle parking spaces. The final locations for bike storage facilities and bike share stations will be determined by the Project team in consultation with DPP and the City’s Department of Transportation Services (DTS) as well as bike share providers.

h. Infrastructure

The following information was provided by Hida Okamoto & Associates, Inc. (see Exhibit 16 for Preliminary Engineering Report).

1. Water

In the vicinity of the Proposed Project site, the Honolulu Board of Water Supply (BWS) manages, controls, and operates the municipal water system, which includes potable (drinking water) and fire protection water service to the Proposed Project site property. The BWS Metro 180 system provides water to the existing Proposed Project site and serves municipal water systems from Pearl City to East Honolulu. In the vicinity of the site, the BWS system includes 12-inch transmission mains along North School Street and Lanakila Avenue. Eight-inch mains are located along Ahiahi Place. Fire hydrants are located along all adjacent streets to the Proposed Project site as well as along Ahiahi Place, which bisects the property.

Average daily demand of potable water for the existing site is estimated at 2,000 gallons per day (gpd) with a maximum daily demand of 3,000 gallons per day (gpd) and peak hour demand of 6,000 gpd. Projected water demand was calculated for the Proposed Project based on design criteria provided by the BWS Water System Standards (2002). These standards establish guidelines for water consumption based on county and zoning designation, which assume daily usage of and 300 gal/unit for O‘ahu multi-family high rise residential areas.

New water facilities are expected to include the project-specific water system features for domestic and fire prevention services such as water mains, laterals, fire hydrants, and booster
pumps. New 8-inch waterlines are proposed within the site to distribute the water to the various development blocks. The Proposed Project is requesting an exemption from BWS Water System Facilities Charges.

In order to reduce the amount of drinking water required to serve the Proposed Project, as required by BWS, all efforts will be made to include water reducing design elements into the Proposed Project such as low flow and ultra-low flow fixtures, and automated irrigation systems with moisture sensors to prevent overwatering. Landscaping will incorporate native and hardy climate-adapted plants that do not require significant amounts of water wherever possible.

During the Draft EIS public review period, the Board of Water Supply (BWS) provided a comment letter dated February 5, 2018, confirming that the existing water systems are adequate to accommodate the proposed (up to) 800-unit affordable senior apartments and the redevelopment of the HPHA Administrative Office. Please refer to Exhibit 17 for the confirmation letter.

2. Sewer

The Proposed Project area is serviced by the Sand Island Wastewater Treatment Plant (SIWWTP), which processes approximately 60 percent of O’ahu’s wastewater. The SIWWTP is designed to process an average of 90 million gallons per day (mgd) and 200 mgd for peak flows during wet weather. It processed an average of approximately 65.26 mgd in 2016. The existing Proposed Project site generates an estimated design average flow of 0.0026 million gallons per day (mgd) with a design maximum (max) flow of 0.0086 mgd and a design peak flow of 0.0151 mgd.

An existing 36-inch sewer main is located within North School Street. Existing six-inch diameter sewer mains are located within the Proposed Project site and connect to both the six-inch sewer line on Lanakila Avenue and the 36-inch line on North School Street. Existing sewer flows from the Proposed Project site are conveyed to the Awa Street pump station from sewer lines in Dillingham Boulevard and North King Street. The Awa Street pump station lifts sewer flow to the 54-inch sewer main located in Nimitz Highway, which conveys sewer to the existing Hart pump station, to be pumped to the Sand Island Wastewater Treatment Plant.

The Proposed Project will generate an estimated average of 0.2406 mgd in wastewater of when in full operation (2029).

The necessary on-site sewer system facilities will be installed to adequately service the Proposed Project, including gravity sewers and related appurtenances. Additional sewer connections are needed for the Proposed Project, which will include three new sewer connections to the existing six-inch sewer line in Lanakila Avenue and the 36-inch main on North School Street. The sewer system will be designed in accordance with the City and County of Honolulu’s Design Standards of the Department of Wastewater Management (1993), and is proposed to be dedicated to the County.

The Project team will maintain ongoing coordination with the City in order ensure adequate wastewater service can be provided to the Proposed Project. However, the timing of the City’s
improvements, the WWPS project, in particular, may impact the development schedule of the Proposed Project.

A sewer connection application was submitted to the City for the estimated Phase 1A and 1B sewer demand of 250 residential units and approximately 30,000 SF of office space. Approval was granted on November 7, 2019. Please refer to Exhibit 18. Additional sewer connection applications will be submitted for Phases 2 and 3.

3. Drainage

The Lanakila Avenue and School Street frontages of the Proposed Project site contain a 10-foot by 5-foot box drain located within a City and County drainage easement within the Proposed Project site. The box drain directs stormwater runoff into the Kapālama Drainage Canal which is located west of the Proposed Project site.

Existing stormwater runoff from the Proposed Project site surface flows across the Proposed Project site towards North School Street and is collected by a system of on-site drain inlets which connect to the existing box drain. Stormwater runoff within North School Street is collected by curb and gutters directed to catch basins which connect to the existing box drain.

The Proposed Project will be designed to direct storm water runoff away from the buildings and structures toward open grassed or paved areas. The Proposed Project will be designed to maintain existing drainage flow patterns and minimize adverse impacts to downstream improvements.

Any increase in runoff generated by the Proposed Project, which adversely impacts downstream improvements, will be mitigated by retaining the runoff on-site in accordance with the City and County of Honolulu’s storm drainage standards. Runoff quantities for proposed conditions were calculated for the 10-year and a 50-year 1 hour storm events and compared to existing runoff quantities to determine the increase in runoff generated from the Proposed Project.

The drainage system for the Proposed Project will consist of various roof downspouts, concrete curb and gutter, inlets and an underground drainage system including onsite retention systems. Green roofs and pervious concrete or pavers will also be considered during detailed design of the Proposed Project and filtering and reuse of captured rainwater for non-potable uses such as irrigation will be explored to the maximum extent practicable in order to improve water quality and reduce the amount of runoff conveyed to the City's offsite systems. Storm water runoff from the Proposed Project will discharge to the existing Lanakila Avenue and North School Street drainage systems but will be limited to pre-development runoff quantities.

The Proposed Project, as well as any intermediary phases involving land disturbing activities of one acre or more, is subject to the City & County of Honolulu Rules Relating to Water Quality as a “Priority A” project for post-construction Best Management Practices (BMP’s).
To mitigate construction runoff, the City and County of Honolulu recently adopted new guidelines for storm water quality under the Rules Relating to Water Quality (2016), which went into effect on August 16, 2017. According to these rules, the redevelopment is classified as a Category 5 project for erosion and sediment control, which is defined as a development requiring a grading, grubbing or stockpiling permit that involves a disturbed area greater than one acre and that requires a NPDES general or individual permit issued by the DOH.

4. **Common Driveways and Multimodal Circulation**

A Mobility Analysis Report (MAR) for the Proposed Project was prepared by Fehr and Peers (see Exhibit 19). The Proposed Project site is bounded by North School Street, Lanakila Avenue, and Ahiahi Street.

Proposed vehicle access to the site will be provided via three driveways: 1) a full-access driveway on North School Street approximately halfway between Lanakila Avenue and Kokea Street (aligned with the Kapuna One Apartments driveway); 2) a secondary full-access driveway on North School Street (south of Kokea Street) to serve the HPHA Office Building; and 3) a full-access (existing) driveway on Lanakila. The new driveway on North School Street (across from the Kapuna One Apartments driveway) will require the existing pedestrian crosswalk between Kokea Street and Lanakila Avenue to be relocated approximately 30 feet north to the new intersection.

On-site circulation will include two-way drive aisles on Ahiahi Street and the mauka-makai internal roadway that connects to the North School Street Driveways. None of the aisles/internal roadways will be excessively long to where vehicle speeds on-site are expected to be excessive. The site plan also shows a paved pedestrian pathway that borders the makai side of the Proposed Project buildings and provides access to North School Street. Pedestrian and vehicle conflicts could potentially occur at Proposed Project driveways, particularly at unsignalized driveways when a car is entering or exiting and pedestrians using the sidewalk that crosses the driveway. To enhance safety for pedestrians, it is recommended that signage be installed at all of the unsignalized driveways to alert motorists of potential pedestrian conflicts. Signs would typically include a “STOP” sign on each driveway approach, as well as a sign indicating the presence of pedestrians.

People on bicycles are also expected to access the Proposed Project site. No separate paths need to be incorporated within the site, since bicyclists will be expected to share the internal roadways with vehicles. Volumes and speeds are expected to be relatively low creating a “bicycle boulevard” environment within the site. However, secure bike parking should be provided at various locations throughout the site for both residents and visitors. At a minimum, this would include bike racks at several key locations to encourage the use of non-automobile travel. The final locations for bike storage facilities will be determined by the Project team in consultation with DPP staff.

Bicycle infrastructure in the vicinity of the Proposed Project site will be expanded and developed as planned land uses are built and occupied. The O‘ahu Bike Plan (2019) plans for enhanced bicycle facilities to be implemented within the vicinity, including new bicycle lanes on North School Street, North Vineyard Boulevard, North King Street, and Alaneo Street. Implementation of separate bicycle lanes (Class II facilities) will require roadway restriping and/or the elimination of parking and vehicle travel lanes. The type and feasibility of bicycle...
facilities on streets Diamond Head of the Proposed Project site are currently being evaluated as part of Complete Streets projects being managed by the City & County of Honolulu Department of Transportation Services (DTS). The planned improvements would not be located immediately adjacent to the Proposed Project site; however, bicycle facilities such as bike racks are recommended on-site to encourage and support bicyclist activity.

“TheBus” is currently O'ahu’s primary provider of public transit. Transit ridership among residents in the area is significantly high, and the study area is well served by frequent bus services on North School Street, Houghtailing Street, Kalihi Street, Liliha Street, Vineyard Boulevard, and North King Street. The Proposed Project site is also located less than one mile from the planned Kapālama and Iwilei HART Stations that will provide access to the light rail transit system that is currently under construction and scheduled for completion by 2025.

The Proposed Project is not anticipated to significantly impact transit service within the study area. All bus stops in the study area provide covered shelters and benches for transit users, except for the Ewa-bound bus stop adjacent to the baseball field opposite Kokea Street. However, to enhance the transit and pedestrian facilities immediately adjacent to the site, it is recommended that the bus shelters along the Proposed Project frontage be placed further back from the curb of the sidewalk to remove obstructions from the pedestrian walkway and provide pedestrians with a wider sidewalk.

Generally, the Proposed Project is not expected to substantially increase the walking, biking, or transit demand to a level where it could not be accommodated by existing or planned facilities. In addition, the Proposed Project is expected to enhance multi-modal facilities and services, especially with the promotion of the use of passive and active spaces and non-motorized modes. The Proposed Project is also not expected to conflict with any existing facilities and planned improvements.

Potential transportation-related impacts of the Proposed Project were evaluated following guidelines established by the City & County of Honolulu Department of Planning & Permitting (DPP) Traffic Review Branch (TRB) and the State of Hawaii Department of Transportation – Highways Division (HDOT). The operations of 14 study intersections were evaluated during the weekday morning (AM) and evening (PM) peak hours for Existing (2019) and Future (2028) conditions with and without the Proposed Project. The Proposed Project is estimated to generate approximately 2,232 net new daily vehicle trips, including 108 net new AM peak hour vehicle trips (34 inbound/74 outbound), and 158 net new PM peak hour vehicle trips (90 inbound/68 outbound).

The results of the analysis showed the Proposed Project is forecast to impact the intersection of N. School Street/Palama Street-Alaneo Street in the PM Peak Hour. The recommended improvement includes restriping the eastbound and westbound approaches on Palama Street and Alaneo Street with a separate left-turn and shared through/right-turn lane. This improvement may eliminate two to four on-street parking spaces on the Alaneo Street intersection approach. To further enhance safety in the study area, implementation of travel demand management (TDM) strategies are also recommended to reduce the number of vehicle trips and encourage use of non-automobile travel modes. TDM strategies that could be considered include incentivizing residents and employees to carpool and take transit, providing secure onsite bicycle storage facilities, and developing a parking management plan.
5. **Electricity**

The existing property receives electric utility service from Hawaiian Electric Company (HECO) via an underground 12.47kV primary electrical feeder extended into the property from North School Street. The primary electrical feeder terminates at an existing pad mounted transformer which provides secondary electrical service to the buildings.

Existing overhead electrical lines run along School Street and Lanakila Avenue. The existing lines that run on the mauka side of School Street (with the exception of one pole that is directly in front of the property) are HECO 138 kilovolt (kV) and 46kV lines, which are part of the HECO transmission line system and cannot be used to service the Proposed Project site directly. Existing overhead 12.47kV HECO lines run along the makai side of School Street and the Diamond Head side of Lanakila Avenue. The lone pole that currently supports 12.47kV lines on the makai side of School Street appears to be the riser pole used to feed the existing facility. This pole may need to be removed to facilitate redevelopment of the site if widening of North School Street is required.

Preliminary electrical load calculations for the (up to) 800 residential units show that the estimated demand load for the residential units would be approximately 4.2 Mega Volt Amp (MVA). The estimated load for the approximately 30,000 square foot (sq ft) office space and 10,000 sq ft commercial area would be approximately 560kVA for a total load of approximately 4.8MVA for the site. An inquiry was made to HECO regarding available services to the site to support the proposed development and based on the letter from HECO dated April 1, 2020, HECO has indicated that there is capacity in the existing utility distribution system to support the proposed development, however upgrades to the system immediately adjacent to the property might be required. The letter confirming existing HECO distribution circuits is attached as Exhibit 20.

The Proposed Project will be designed to be as energy efficient as possible to reduce electrical demand and may include elements such as solar hot water heating, operable windows for natural ventilation, light and motion sensors in non-residential areas, energy efficient lighting, and Energy Star appliances. Onsite renewable energy such as solar photovoltaics (PV) will also be evaluated during the design process and coordinated with HECO if pursued. The PV panels could be installed on the building rooftops. Additional sustainable elements may include: carbon monoxide (CO) sensors on parking garage ventilation fans to conserve electricity in low use periods; regenerative drive elevator motor controllers that generate up to 75% of the power used by the elevators; window contact switches that shut a unit’s air conditioning system down when windows are opened; and electric assist bicycles for resident use, charged by the PV system.

The new primary electric service to the site will be extended from the existing 12.47kV pole on the mauka side of North School Street. As mentioned above, this pole may need to be relocated if widening of North School Street is required by the Proposed Project. Concrete encased ducts will be extended into the property where it will terminate at a pad mounted switchgear to provide a means to isolate the primary service to the property from the HECO distribution system. The primary switchgear will then feed 1 (one) pad mounted transformer per building to provide 208Y/120-volt secondary services to the residential buildings. The transformer for the commercial and office building will provide either 480Y/277-volt or
208Y/120-volt secondary service to those spaces. The exact voltage will be determined once more information about the actual loads are determined.

Clearances to the existing 138kV poles and lines will need to be considered with the new building layouts. A 10 foot clearance from each pole and line will be required by HECO.

Additional pad mounted switches may be recommended by HECO at each transformer to provide further isolation of each building. The locations of the switches and transformers is recommended to be as close to the buildings as possible to eliminate long feeder runs to the buildings. It is not recommended to build interior spaces to house the HECO equipment as the vault requirements for these spaces tend to require much more area than a similarly implemented system located outdoors. Additional mechanical ventilation and protection system may also be required for the interior vault spaces.

i. Topography and Soils

1. Topography

Based on the topographic survey map (refer to Exhibit 21), the lowest point on the Proposed Project site appears to be at about +40 feet above mean sea level (MSL) near the intersection of North School street and Lanakila Avenue. The Proposed Project site slopes up to the northwest through northeast portions of the Proposed Project site to about +55 feet above MSL.

The Proposed Project site will require extensive site excavation. The re-alignment of Ahihi Street will require approximately 450 lineal feet of grade retaining walls. Maximum height will be around 15 feet. Portions of the buildings will be excavated into the existing slopes requiring between 10 to 15 feet of excavation. Excess excavated materials will need to be hauled out and disposed of off-site.

2. Soils

There are three soil suitability studies prepared for Hawai‘i whose principal focus has been on describing the physical attributes of land and the relative productivity of different land types for agricultural production. These are (a) the Land Study Bureau Detailed Land Classification, (b) the U.S. Department of Agriculture Soil Conservation Service Soil Survey, and (c) the Agricultural Lands of Importance to the State of Hawai‘i (ALISH). The three soil suitability studies are discussed below.

a. Land Study Bureau Detailed Land Classification

The Land Study Bureau (LSB) of the University of Hawai‘i produced the Detailed Agricultural Land Productivity Ratings for non-urbanized lands on the islands of Hawai‘i, Maui, Lāna‘i, Moloka‘i, O‘ahu, and Kaua‘i from 1965 through 1972. The LSB classification system groups land into homogeneous units called Land Types, describes their condition and environment, delineates the areas on aerial photo base maps, rates the lands on their overall quality (productivity) in relation to other lands, and appraises their performance under selected alternative agricultural crops.
This series of reports were produced with the intention of developing a land inventory and productivity evaluation based on statewide “standards” of crop yields and levels of management. It uses a five-class productivity rating system, which indicates the degree of overall suitability of the land for agricultural use, using the letters A, B, C, D, and E, where A represents the highest class of productivity and E represents the lowest class of productivity. The HPHA Administrative Offices site is urban, unclassified land (please refer to Exhibit 22).

b. Soil Conservation Service Soil Survey

The U.S. Department of Agriculture and Soil Conservation Service (SCS) and the University of Hawai‘i Agricultural Experiment Station prepared the Soil Survey in 1972. These reports are similar to those of the Land Study Bureau, except that they are patterned after a soil classification procedure adopted for nationwide, uniform application. Soil types are described according to their suitability for a variety of commercial crops and agricultural uses as well as characteristics such as permeability and water capacity, corrosivity, shrink/swell potential, and erosion hazards.

The USDA Soil Survey classifies all of the soils underlying the Proposed Project site as Kaena clay, 2-6% slopes (see Exhibit 23).

c. Agricultural Lands of Importance to the State of Hawai‘i

The State of Hawai‘i Department of Agriculture’s Agricultural Lands of Importance to the State of Hawai‘i (ALISH) system rates agricultural land as “Prime,” “Unique,” or “Other.” The remaining land is not classified as it was urbanized prior to the ALISH mapping in 1977. The Proposed Project site is classified as “Existing Urban Development” by the ALISH system most likely due to its use of the past century for urban uses. No portion of the site is classified as “Prime,” “Unique,” or “Other Important” agricultural land (see Exhibit 24).

During the construction phases of the Proposed Project, dust generation is anticipated and there is a potential for water-borne soil erosion. Construction activities will follow strict erosion control measures specified by applicable State and City regulations. Prior to issuance of a grading permit by the City and County of Honolulu, an erosion control plan and best management practices (BMPs) will be submitted describing the implementation of appropriate erosion control measures. Temporary BMP’s such as silt and dust fencing, stabilized construction entrance to reduce track out, catch basin inlet protection and drain inlet protection will be employed to prevent silt laden stormwater runoff and debris from entering the City’s storm drainage system and roadways. Permanent BMP’s will include pavement, landscaping and underground stormwater retention/infiltration systems.

A National Pollutant Discharge Elimination System (NPDES) permit for Storm Water Associated with Construction Activity will be necessary since the entire site will be developed and it is roughly 6+ acres in size and each development phase is anticipated to exceed an acre.
3. Preliminary Geotechnical Study

In March 2020, Geolabs, Inc., prepared a Preliminary Geotechnical Study summarizing their findings and discussions based on site reconnaissance and review of available subsurface information only (refer to Exhibit 25). According to the report: “...the proposed development for the project site is feasible from a geotechnical engineering point-of-view. However, several geotechnical considerations may need to be addressed during the design and construction of the proposed project.” These geotechnical considerations include: 1) undocumented fills; 2) cavities and voids; 3) foundations; 4) expansive soil conditions and slabs-on-grade; and 5) basalt rock excavation. Refer to the report in Exhibit 25 for further details. At the time of this writing, Geolabs, Inc. is conducting a design-level geotechnical field exploration program for the design of the structure foundations, concrete floor slabs-on-grade, site preparation and grading, infrastructure installation, and pavement construction for the proposed development.

j. List of Other Permits/Approvals Required

The following is a list of other permits and approvals that the Proposed Project will require (Table 5):

Table 5: List of Other Permits/Approvals Required

<table>
<thead>
<tr>
<th>Permit/Approval</th>
<th>Agency</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>City &amp; County of Honolulu</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Grubbing, Grading, and Stockpiling Permit</td>
<td>Department of Planning and Permitting (DPP)</td>
<td>Pending</td>
</tr>
<tr>
<td>• Building Permit for Building, Electrical, Plumbing, Sidewalk/Driveway, and Demolition Work</td>
<td>DPP</td>
<td>Application pending</td>
</tr>
<tr>
<td>• Foundation Permit</td>
<td>DPP</td>
<td>Application pending</td>
</tr>
<tr>
<td>• Structure Permit</td>
<td>DPP</td>
<td>Application pending</td>
</tr>
<tr>
<td>• Sewer Connection Permit</td>
<td>DPP</td>
<td>Ph 1A &amp; 1B approved (Exhibit 18) Ph 2 &amp; 3 pending</td>
</tr>
<tr>
<td>• Storm Water Quality Fee</td>
<td>DPP</td>
<td>Pending</td>
</tr>
<tr>
<td>• Storm Drain Connection License</td>
<td>Department of Facility Maintenance</td>
<td>Pending</td>
</tr>
<tr>
<td>• Street Usage Permit</td>
<td>Department of Transportation Services (DTS)</td>
<td>Pending</td>
</tr>
<tr>
<td>• Fire Department Review</td>
<td>Fire Department</td>
<td>Review pending</td>
</tr>
<tr>
<td>State of Hawai’i</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• NPDES Permit</td>
<td>Department of Health (DOH)</td>
<td>Pending</td>
</tr>
<tr>
<td>• Noise Permit</td>
<td>DOH</td>
<td>Application pending</td>
</tr>
<tr>
<td>• Air Conditioning and Ventilation Permit</td>
<td>DOH Indoor &amp; Radiological Health Branch</td>
<td>Application pending</td>
</tr>
<tr>
<td>• Phase II ESA Review</td>
<td>DOH</td>
<td>Pending</td>
</tr>
</tbody>
</table>
### Permit/Approval Agency Status

- **ADA Accessibility Review**  
  DOH Disability and Communication Access Board (DCAB)  
  Review pending

- **Pre-Building Permit Review (solar water heating compliance)**  
  Department of Business, Economic Development, & Tourism  
  Review pending

- **Historic Site Review**  
  State Historic Preservation Division (SHPD)  
  Review pending

**Other**

- **Hawaiian Electric Company Review**  
  Hawaiian Electric Company (HECO)  
  Preliminary service confirmation letter received (Exhibit 20)

### 4. PROPOSED EXEMPTIONS

On the following pages is a list of major exemptions, modifications, and/or deferrals requested for the Proposed Project (Table 6). As the Proposed Project is anticipated to be built out over ten years, the following is a summary based on current fees and standards. Should the City and the respective agencies increase fees during the buildout of the Proposed Project, the request includes exemption from any fee increases that would be applicable at the time of construction plan submittals and permit/connection requests. Exemptions and waivers from various development fees are requested as part of this application that would carry throughout the Proposed Project’s development phases.
Table 6: List of Requested Exemptions

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Pertinent Section</th>
<th>Estimated Fees or Requirements (as of May 2020)</th>
<th>Requested Exemption</th>
<th>Purpose and Need for Exemption</th>
<th>Potential Impacts of Granting Exemption</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Building Permit Fees</td>
<td>ROH §18-6.2</td>
<td>Based on construction costs</td>
<td>Exemption (waived under Ordinance 18-1 if all units rented at or below 140% AMI and 20% of units rented at or below 80% AMI)</td>
<td>To minimize the cost to construct urgently needed affordable rental housing. Without exemptions, fees could be cost-prohibitive and the affordable rental housing would not be built.</td>
<td>Reduced revenue for the City and County; however, the social and economic benefits of addressing the affordable housing crisis far outweigh this loss of revenue.</td>
</tr>
<tr>
<td>2</td>
<td>Grading, Grubbing and Stockpiling Permit Fees</td>
<td>ROH §14-14.4</td>
<td>Based on construction costs</td>
<td>Exemption</td>
<td>See above</td>
<td>See above</td>
</tr>
<tr>
<td>3</td>
<td>National Pollutant Discharge Elimination System (NPDES) Permit</td>
<td>HAR §11-55 Appendix C</td>
<td>$500</td>
<td>Exemption</td>
<td>See above</td>
<td>See above</td>
</tr>
<tr>
<td>4</td>
<td>Plan Review Fees</td>
<td>ROH §18-6.1</td>
<td>Based on construction costs</td>
<td>Exemption</td>
<td>See above</td>
<td>See above</td>
</tr>
<tr>
<td>5</td>
<td>Fire Dept. Plan Review Fee</td>
<td>ROH §20-1.12.8</td>
<td>Based on construction costs</td>
<td>Exemption</td>
<td>See above</td>
<td>See above</td>
</tr>
<tr>
<td>6</td>
<td>ADA Review Fee</td>
<td>HRS §103-50</td>
<td>$3,000</td>
<td>Exemption</td>
<td>See above</td>
<td>Reduced revenue for the State; however, the social and economic benefits of addressing the affordable housing crisis far outweigh this loss of revenue.</td>
</tr>
<tr>
<td>7</td>
<td>Storm Drain Connection Fee</td>
<td>ROH §14-12.12</td>
<td>$200</td>
<td>Exemption</td>
<td>See above</td>
<td>Reduced revenue for the City and County; however, the social and economic benefits of addressing the affordable housing crisis far outweigh this loss of revenue.</td>
</tr>
<tr>
<td>8</td>
<td>Storm Water Quality Fee</td>
<td>§20-3-16, DPP Water Quality Rules?</td>
<td>$250</td>
<td>Exemption</td>
<td>See above</td>
<td>See above</td>
</tr>
<tr>
<td>9</td>
<td>Wastewater System Facilities Charge</td>
<td>ROH §14-10.1 to 10.3, 10.6</td>
<td>$1,376,128</td>
<td>Exemption (waived under Ordinance 18-1 if all units rented at or below 140% AMI and 20% of units rented at or below 80% AMI)</td>
<td>See above</td>
<td>See above</td>
</tr>
<tr>
<td>10</td>
<td>Water System Facility Charges</td>
<td>§1-102 BWS Rules</td>
<td>$855,168</td>
<td>Exemption</td>
<td>See above</td>
<td>See above</td>
</tr>
<tr>
<td>11</td>
<td>Water Meter Charge</td>
<td>§2-202 BWS Rules</td>
<td>$25,000</td>
<td>Exemption</td>
<td>See above</td>
<td>See above</td>
</tr>
<tr>
<td>Item</td>
<td>Description</td>
<td>Pertinent Section</td>
<td>Estimated Fees or Requirements (as of May 2020)</td>
<td>Requested Exemption</td>
<td>Purpose and Need for Exemption</td>
<td>Potential Impacts of Granting Exemption</td>
</tr>
<tr>
<td>------</td>
<td>------------------------------</td>
<td>-------------------</td>
<td>-----------------------------------------------</td>
<td>--------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>TAXES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Real Property Tax</td>
<td>ROH §8-11.1, 8-10.20 to 10.21</td>
<td>Will change based on redevelopment</td>
<td>Exemption (tax holiday during construction and exemption for affordable rental units under Ordinance 18-1 if all units rented at or below 140% AMI and 20% of units rented at or below 80% AMI)</td>
<td>To minimize the cost to construct urgently needed affordable rental housing. Without an exemption, taxes could be cost-prohibitive and the affordable rental housing would not be built.</td>
<td>Reduced revenue for the City and County; however, the social and economic benefits of addressing the affordable housing crisis far outweigh this loss of tax revenue.</td>
</tr>
<tr>
<td>13</td>
<td>General Excise Tax</td>
<td>HAR §18-237</td>
<td>Will change based on redevelopment</td>
<td>Exemption</td>
<td>To minimize the cost to construct urgently needed affordable rental housing. Without an exemption, taxes could be cost-prohibitive and the affordable rental housing would not be built.</td>
<td>Reduced revenue for the State; however, the social and economic benefits of addressing the affordable housing crisis far outweigh this loss of tax revenue.</td>
</tr>
<tr>
<td></td>
<td>SUBDIVISION/PARK DEDICATION REQUIREMENTS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Subdivision Processing Fee</td>
<td>ROH §22-1.2(a)</td>
<td>$400 + ($100 per lot)</td>
<td>Exemption</td>
<td>To minimize the cost to construct urgently needed affordable rental housing. Without exemptions, fees could be cost-prohibitive and the affordable rental housing would not be built.</td>
<td>Reduced revenue for the City and County; however, the social and economic benefits of addressing the affordable housing crisis far outweigh this loss of revenue.</td>
</tr>
<tr>
<td>15</td>
<td>Park Dedication Requirements</td>
<td>ROH §22-7.5(b)(1)</td>
<td>110 SF per multi-family unit</td>
<td>Reduction in required park dedication area and/or in-lieu fees. (Park dedication is currently waived under Ordinance 18-1 if all units rented at or below 140% AMI and 20% of units rented at or below 80% AMI)</td>
<td>To maximize the Proposed Project site to provide the optimal amount of urgently needed affordable rental housing.</td>
<td>Reduced park dedication area; however, the landscaped areas at the street level would provide a park-like streetscape.</td>
</tr>
<tr>
<td></td>
<td>LAND USE ORDINANCE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>R-5 Zoning</td>
<td>ROH §21-3.70</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>Permitted Uses</td>
<td>21-3.70-[a] [Table 21-3]</td>
<td>Residential: See “R-7.5, R-5, R-3.5” Column in the Master Use Table (Table 21-3, LUO)</td>
<td>Request AMX-2 equivalent to allow “Dwellings, multifamily,” “Medical clinics,” “Meeting facilities,” “Accessories - office,” “Neighborhood grocery stores,” “Personal services,” “Public uses and structures”</td>
<td>To allow the provision of urgently needed affordable rental housing and supporting community/retail uses.</td>
<td>Contribution to the alleviation of the affordable housing crisis; improvements to the quality of life of senior residents and the broader community. Potential impacts to traffic may be mitigated by implementation of recommendations in the Mobility Analysis Report (MAR).</td>
</tr>
</tbody>
</table>

38
<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Pertinent Section</th>
<th>Estimated Fees or Requirements (as of May 2020)</th>
<th>Requested Exemption</th>
<th>Purpose and Need for Exemption</th>
<th>Potential Impacts of Granting Exemption</th>
</tr>
</thead>
<tbody>
<tr>
<td>17</td>
<td>-Maximum Building Area</td>
<td>21-3.70-1(b), Table 21-3.2</td>
<td>50% of zoning lot</td>
<td>Exemption to allow for full buildout at 60% of zoning lot</td>
<td>To maximize the Proposed Project site to provide the optimal amount of urgently needed affordable rental housing.</td>
<td>The requested exemption assists in greater feasibility of this nearly 100 percent affordability for individuals with incomes at 30% to 80% AMI, with an average no greater than 60% AMI.</td>
</tr>
<tr>
<td>18</td>
<td>-Maximum Height</td>
<td>Zoning map</td>
<td>25'-30'</td>
<td>Request exemption to allow 153'-170' for residential buildings.</td>
<td>To maximize the Proposed Project site to provide the optimal amount of urgently needed affordable rental housing, while breaking up the vertical mass of the buildings into shorter structures.</td>
<td>The Proposed Project attempts to mitigate visual impacts, particularly to mauka-makai views and residential properties located closer to the Proposed Project by: 1) providing fewer apartment buildings and more space between the buildings to preserve distant views; 2) activating the street level views with community/retail uses and lower mid-rise buildings along the street; 3) creating a more interesting skyline by varying building heights; 4) orienting the apartment buildings with their narrower sides facing the makai-makai sides of the site and their wider sides facing east-west to preserve mauna to makai views. Also, to reduce the height of the proposed buildings, residential units were added to line the exterior of the parking structures.</td>
</tr>
<tr>
<td>19</td>
<td>-Maximum Height</td>
<td>Zoning map</td>
<td>25'-30'</td>
<td>Request exemption to allow 60' for new Administrative Office Building</td>
<td>To maximize the Proposed Project site to provide the optimal amount of urgently needed affordable rental housing, current office functions need to be consolidated in a compact and efficient footprint.</td>
<td>The planned 4-story building frees 75% of the required program area for much needed affordable housing.</td>
</tr>
<tr>
<td>20</td>
<td>-Yards, Side and Rear</td>
<td>21-3.70-1(b), Table 21-3.2</td>
<td>Side and Rear: 15' for border between non-residential uses and dwellings</td>
<td>Exemption to allow a minimum of 10 foot side yard for the ewa-side of the proposed Office Building</td>
<td>The requested exemption will allow the efficient use of the property, and in turn allow the maximum developable area for much needed affordable housing.</td>
<td>Because the property line angles ewa from School Street heading mauka, a minimum of 10' setback is required at the School Street corner but the building placement will allow up to 20' setback closer Ahiahi Street.</td>
</tr>
<tr>
<td>21</td>
<td>-Height Setbacks</td>
<td>21-3.70-1(c)(3), Figure 21-32</td>
<td>R-5 front yard height setback requires a 2:1 sloped setback at 20' above grade</td>
<td>Request 10:1 sloped setback from 40' above grade, at the yard setback for the residential component of the Proposed Project</td>
<td>To minimize altering existing topography, portions of the Proposed Project need to be sited as close as possible to North School Street. Given the density of the Proposed Project, the requested exemption is consistent with the Apartment Zoning development standards.</td>
<td>Minimizing grading will result in lower construction costs and allows for greater feasibility of this highly affordable project (affordable to individuals with incomes of 30% to 80% of the AMI, with an average no greater than 60% AMI) on expensive urban Honolulu lands - where the vast majority of services available to seniors.</td>
</tr>
<tr>
<td>22</td>
<td>-Height Setbacks</td>
<td>21-3.70-1(c)(3), Figure 21-32</td>
<td>2:1 sloped setback above 15' at the required yard setback</td>
<td>Request 5:1 sloped setback above 15' at the required yard setback for the proposed office building</td>
<td>The requested exemption will allow the efficient use of the property, and in turn allow the maximum developable area for much needed affordable housing.</td>
<td>While existing HPHA facilities abutting the ewa edge of the Proposed Project site are closer to a residential scale, the appearance of the HPHA facilities will change from temporary structures to a new permanent and more attractive facility.</td>
</tr>
<tr>
<td>Item</td>
<td>Description</td>
<td>Pertinent Section</td>
<td>Estimated Fees or Requirements (as of May 2020)</td>
<td>Requested Exemption</td>
<td>Purpose and Need for Exemption</td>
<td>Potential Impacts of Granting Exemption</td>
</tr>
<tr>
<td>------</td>
<td>-------------</td>
<td>------------------</td>
<td>-----------------------------------------------</td>
<td>---------------------</td>
<td>--------------------------------</td>
<td>----------------------------------------</td>
</tr>
<tr>
<td>23</td>
<td>Off-Street Loading</td>
<td>21-6.100</td>
<td>Commercial space: 10,000 SF = 1 loading space required.</td>
<td>Request this be a small sized loading space (8.5’ x 19’ x 10h)</td>
<td>The proposed commercial space is not a big box or large retail space so loading requirements do not warrant a large-sized loading space</td>
<td>The requested exemption assists in greater feasibility of this nearly 100 percent affordability for individuals with incomes at 30% to 80% AMI, with an average no greater than 60% AMI.</td>
</tr>
<tr>
<td>24</td>
<td>Off-Street Loading</td>
<td>21-6.100</td>
<td>Community space: 9,500 SF = 1 loading space required.</td>
<td>Request this be a small sized loading space (8.5’ x 19’ x 10h)</td>
<td>The proposed community space is not a large meeting facility space so loading requirements do not warrant a large-sized loading space</td>
<td>The requested exemption assists in greater feasibility of this nearly 100 percent affordability for individuals with incomes at 30% to 80% AMI, with an average no greater than 60% AMI.</td>
</tr>
<tr>
<td>25</td>
<td>Off-Street Loading</td>
<td>21-6.100</td>
<td>Office: approx. 30,000 SF = 1 loading space required.</td>
<td>Request this be a small sized loading space (8.5’ x 19’ x 10h)</td>
<td>The proposed office space is not like a large office building in BMX-4 zoning so loading requirements do not warrant a large-sized loading space</td>
<td>The requested exemption assists in greater feasibility of this nearly 100 percent affordability for individuals with incomes at 30% to 80% AMI, with an average no greater than 60% AMI.</td>
</tr>
<tr>
<td>26</td>
<td>Bicycle Parking</td>
<td>21-6.150</td>
<td>1 short term bike space per 10 residential units</td>
<td>Request 1 short term bike space per 20 residential units</td>
<td>Due to age of residents, and no family units will be rented, the demand for bicycle parking will be less than a typical apartment.</td>
<td>The site is well-served by TheBus. Providing less space for short term bike space, allows for more program space for residents and possibly other area seniors.</td>
</tr>
<tr>
<td>27</td>
<td>Bicycle Parking</td>
<td>21-6.150</td>
<td>1 long term bike space per 2 residential units</td>
<td>Request 1 long term bike space per 12 residential units</td>
<td>Due to age of residents, and no family units will be rented, the demand for bicycle parking will be less than a typical apartment.</td>
<td>The site is well-served by TheBus. Providing less space for short term bike space, allows for more program space for residents and possibly other area seniors.</td>
</tr>
<tr>
<td>28</td>
<td>Bicycle Parking</td>
<td>21-6.150</td>
<td>1 short term bike space per 2,000 SF of office space</td>
<td>Request 1 short term bike space per 3,000 SF of office space</td>
<td>The Proposed Office will provide short-term bike parking and is also well-served by TheBus.</td>
<td>The site is well-served by TheBus and may have room to accommodate a Biki Station.</td>
</tr>
<tr>
<td>29</td>
<td>Signage</td>
<td>21-7.40 (d)</td>
<td>Requires building street frontage to be set back 50' from the property line at the entry side to use a ground identification or directory sign</td>
<td>Request that this setback distance be reduced to 30' from the property line</td>
<td>Since Proposed Project involves four phases with mixed use, it is highly desirable to be granted an exemption to treat each phase as a separate project, subject to their own sign requirements.</td>
<td>The requested exemption ensures maximum identity for each phase of the Proposed Project.</td>
</tr>
<tr>
<td>30</td>
<td>Signage</td>
<td>21-7.40 (d)</td>
<td>Same section states: &quot;Instead of these signs, one garden sign may be permitted.&quot;</td>
<td>Request that this be changed to: &quot;In ADDITION to ground identification or directory signs for each phase, one garden sign be also permitted for each phase.&quot;</td>
<td>Since Proposed Project involves four phases with mixed use, it is highly desirable to be granted an exemption to treat each phase as a separate project, subject to their own sign requirements.</td>
<td>The requested exemption ensures maximum identity for each phase of the Proposed Project.</td>
</tr>
<tr>
<td>31</td>
<td>Signage</td>
<td>21-7.40 (f)</td>
<td>B-1 Neighborhood Business District signage standards</td>
<td>Request that these standards be applicable to the Phase 1B Office Building, and Commercial and Community Use spaces in the Phase 3 Project.</td>
<td>Since Proposed Project involves four phases with mixed use, it is highly desirable to be granted an exemption to treat each phase as a separate project, subject to their own sign requirements.</td>
<td>The requested exemption ensures maximum identity for each phase of the Proposed Project.</td>
</tr>
<tr>
<td>32</td>
<td>Signage</td>
<td>21-7.40 (f)(2)</td>
<td>&quot;One garden sign per zoning lot instead of the signs permitted above.&quot;</td>
<td>Request this be changed to: &quot;One garden sign in addition to the signs permitted above.&quot;</td>
<td>Since Proposed Project involves four phases with mixed use, it is highly desirable to be granted an exemption to treat each phase as a separate project, subject to their own sign requirements.</td>
<td>The requested exemption ensures maximum identity for each phase of the Proposed Project.</td>
</tr>
<tr>
<td>Item</td>
<td>Description</td>
<td>Pertinent Section</td>
<td>Estimated Fees or Requirements (as of May 2020)</td>
<td>Requested Exemption</td>
<td>Purpose and Need for Exemption</td>
<td>Potential Impacts of Granting Exemption</td>
</tr>
<tr>
<td>------</td>
<td>-------------</td>
<td>-------------------</td>
<td>-----------------------------------------------</td>
<td>---------------------</td>
<td>-------------------------------</td>
<td>---------------------------------------</td>
</tr>
<tr>
<td>33</td>
<td>Affordable Housing Rules</td>
<td>Ordinance 18-10</td>
<td>15% of all rental projects in IPD-T areas, 5% in all other areas</td>
<td>99.6% of the proposed units are planned to be affordable to those with incomes at 30% to 80% AMI, with an average no greater than 60% AMI</td>
<td>To maximize the Proposed Project site to provide the optimal amount of urgently needed affordable rental housing.</td>
<td>Contribution to the alleviation of the affordable housing crisis; improvements to the quality of life of senior residents and the broader community. Potential impacts to traffic may be mediated by implementation of recommendations in the Mobility Analysis Report (MAR).</td>
</tr>
<tr>
<td>34</td>
<td>Land Use</td>
<td>A.5: Land Use Map PUC – Central</td>
<td>Lower-Density Residential Exemption, to allow Medium- and Higher-Density Residential/ Mixed Use</td>
<td>To maximize the Proposed Project site to provide the optimal amount of urgently needed affordable rental housing.</td>
<td>Contribution to the alleviation of the affordable housing crisis; improvements to the quality of life of senior residents and the broader community. Potential impacts to traffic may be mediated by implementation of recommendations in the Mobility Analysis Report (MAR).</td>
<td></td>
</tr>
</tbody>
</table>
(This page left blank intentionally.)
5. CONFIRMATION OF SEWER CAPACITY

A sewer connection application was submitted to the City for the estimated Phase 1A and 1B sewer demand of 250 residential units and approximately 30,000 SF of office space. Approval was granted on November 7, 2019. Please refer to Exhibit 18. Additional sewer connection applications will be submitted for Phases 2 and 3.

6. CONFIRMATION OF WATER AVAILABILITY

During the Draft EIS public review period, the Board of Water Supply (BWS) provided a comment letter dated February 5, 2018, confirming that the existing water systems are adequate to accommodate the proposed (up to) 800-unit affordable senior apartments and the redevelopment of the HPHA Administrative Office. Please refer to Exhibit 17 for the confirmation letter.

7. CONFIRMATION OF ELECTRICITY

The Hawaiian Electric Company (HECO) provided a letter dated April 1, 2020, confirming that existing distribution circuits along North School Street and Lanakila Avenue could potentially be used to serve the Proposed Project. However, these circuits may need to be upgraded depending on the size of the Proposed Project’s load. Please refer to Exhibit 20 for the letter from HECO.

8. PROJECT DEVELOPMENT SCHEDULE

Please refer to Exhibit 26 for the estimated Master Development Schedule.

9. PROJECT MANAGEMENT PLAN

Please refer to Exhibit 27 for the current Management Plan, which is subject to review and approval of the HPHA and the development team’s lenders and investors.

10. VICINITY AND LAND USE MAPS

Please refer to Exhibit 3 for the location map and Exhibit 8 for the PUC DP Land Use Map.

11. REQUIRED PLANS AND DRAWINGS

a. Please see Exhibit 21 for the Topographic Map, which shows the property lines and lot areas.

b. Please see Exhibit 21 for a topographic survey of the existing site. All existing buildings within the Proposed Project site area will be demolished. Please refer to the preliminary engineering report (Exhibit 16) for recommended utility and infrastructure improvements.
c. Please refer to Exhibit 4 for the Preliminary Site Plan which shows the proposed development and setbacks.

d. The existing 2’ contours are shown on Exhibit 21. Site grading will be proposed with each phase of development to support the proposed buildings, amenities and drainage concepts in each phase.

e. Preliminary floor plans (with dimensions) and FAR calculations as required will be submitted to DPP for review and approval at each phase of development prior to building permit submittal to ensure consistency with existing standards or any exemptions granted. See Exhibit 28 for preliminary floor plans.

f. Similarly, preliminary building elevations and sections with dimensions, existing/proposed finish grades, building heights and envelopes, and building spacing will be submitted to DPP for review and approval at each phase of development prior to building permit submittal to ensure consistency with existing standards or any exemptions granted. See Exhibit 28 for preliminary exterior building elevations.

g. Open space plans and area calculations as required will be submitted to DPP for each phase of development for review and approval prior to building permit submittal to ensure consistency with existing standards or any exemptions granted. See Exhibit 29 for open space plans and area calculations.

h. Off-street parking and loading plans with required calculations and dimensions as required will be submitted to DPP for review and approval at each phase of development prior to building permit submittal to ensure consistency with existing standards or any exemptions granted. See Exhibit 30 for off-street parking & loading plans.

i. Preliminary landscaping and screening plans will be submitted to DPP for review and approval as required at each phase of development prior to building permit submittal to ensure consistency with existing standards or any exemptions granted. See Exhibit 31 for preliminary landscape plans.

12. BREAKDOWN OF DEVELOPMENT COSTS

a. Anticipated Sources of Financing

Because this Proposed Project will be developed in phases, the sources of financing are preliminary and subject to change. Please refer to the Master Development Budget chart in Exhibit 32 for a breakdown of anticipated sources of financing.

b. Operating Subsidies (if awarded or being contemplated)

None are currently contemplated.
13. DEVELOPMENT EXPERIENCE

Please refer to Exhibit 33 for both the Retirement Housing Foundation’s (RHF’s) and Foundation Property Management’s (FPM’s) extensive experience with affordable housing projects.

14. PROPOSED RENTAL RATES

All of the proposed senior affordable housing units will be for rent. The maximum incomes for unit qualification and the maximum rents are provided in Table 7 and Table 8, respectively, below. These max incomes and rents are based on 2020 data and are subject to change.

Table 7: Maximum Income

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>Affordability Set Aside</th>
<th>Max Income</th>
<th>Affordability Set Aside</th>
<th>Max Income</th>
<th>Affordability Set Aside</th>
<th>Max Income</th>
<th>Affordability Set Aside</th>
<th>Max Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Person</td>
<td>30%</td>
<td>$26,460</td>
<td>50%</td>
<td>$44,100</td>
<td>60%</td>
<td>$52,920</td>
<td>80%</td>
<td>$70,560</td>
</tr>
<tr>
<td>2 Person</td>
<td>30%</td>
<td>$30,240</td>
<td>50%</td>
<td>$50,400</td>
<td>60%</td>
<td>$60,480</td>
<td>80%</td>
<td>$80,640</td>
</tr>
<tr>
<td>3 Person</td>
<td>30%</td>
<td>$34,020</td>
<td>50%</td>
<td>$56,700</td>
<td>60%</td>
<td>$68,040</td>
<td>80%</td>
<td>$90,720</td>
</tr>
<tr>
<td>4 Person</td>
<td>30%</td>
<td>$37,770</td>
<td>50%</td>
<td>$62,950</td>
<td>60%</td>
<td>$75,540</td>
<td>80%</td>
<td>$100,720</td>
</tr>
</tbody>
</table>

Table 8: Maximum Rents

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>Affordability Set Aside</th>
<th>Gross Rent</th>
<th>Utility Allowance</th>
<th>Net Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Bedroom</td>
<td>30%</td>
<td>$708</td>
<td>$63</td>
<td>$645</td>
</tr>
<tr>
<td>1 Bedroom</td>
<td>50%</td>
<td>$1,181</td>
<td>$63</td>
<td>$1,118</td>
</tr>
<tr>
<td>1 Bedroom</td>
<td>60%</td>
<td>$1,417</td>
<td>$63</td>
<td>$1,354</td>
</tr>
<tr>
<td>1 Bedroom</td>
<td>80%</td>
<td>$1,890</td>
<td>$63</td>
<td>$1,827</td>
</tr>
<tr>
<td>2 Bedrooms</td>
<td>30%</td>
<td>$850</td>
<td>$88</td>
<td>$762</td>
</tr>
<tr>
<td>2 Bedrooms</td>
<td>50%</td>
<td>$1,417</td>
<td>$88</td>
<td>$1,329</td>
</tr>
<tr>
<td>2 Bedrooms</td>
<td>60%</td>
<td>$1,701</td>
<td>$88</td>
<td>$1,613</td>
</tr>
<tr>
<td>2 Bedrooms</td>
<td>80%</td>
<td>$2,268</td>
<td>$88</td>
<td>$2,180</td>
</tr>
</tbody>
</table>

15. COMMUNITY OUTREACH

Retirement Housing Foundation, HPHA, and the Project team have participated in several rounds of public meetings and outreach for the Proposed Project since the Proposed Project’s inception including community meetings, conceptual design charrettes onsite at HPHA and at the adjacent Lanakila Multi-Purpose Senior Center (LMPSC), and area Neighborhood Board meetings. See Exhibit 34 for relevant Neighborhood Board No. 14 Meeting Minutes. In addition, the team has met with various stakeholders including area legislators and councilmembers, public agencies, and service providers to discuss their concerns and wishes for the Proposed Project and encouraged them to participate throughout the planning process.
a. **Community Engagement through the Conceptual Master Plan Process**

The Master Planning process involved a series of community meetings and charrettes that engaged with community members and stakeholders as co-designers in the planning and designing of the Proposed Project. See Exhibit 35 for Community Meeting Summaries.

The first community meeting (Community Meeting #1) was held on October 12, 2016, at the HPHA office on North School Street. At this meeting, neighborhood residents and other community stakeholders discussed their neighborhood’s assets and needs, and how the proposed Redevelopment could affect them, thereby providing valuable input to HPHA and the planning and development team.

The second community meeting (Community Meeting #2) was held on the evening of November 29, 2016, at the HPHA offices, and a follow-up workshop was held during the daytime on November 30, 2016, at the adjacent Lanakila Multi-Purpose Senior Center. At both November meetings, attendees provided meaningful suggestions for programs, services, and amenities for the Proposed Project. Attendees at the November 29 meeting also provided recommendations regarding the Proposed Project site’s layout and its connectivity (vehicular, pedestrian, and bicycle) to the surrounding neighborhood.

In January 2017, two 2-day charrettes and public meetings were held. The first 2-day charrette and public meeting (Community Meeting #3) was held on January 26 at the HPHA office, and on January 27 at the Lanakila-Multi-Purpose Senior Center. During Charrette #1, neighborhood residents and other community stakeholders previewed and provided input on alternative site plans and architectural style. The community’s input was then incorporated into an updated draft conceptual plan for the second 2-day charrette & public meeting (Community Meeting #4), which was held on January 30 at the HPHA office, and on January 31 at the Lanakila Multi-Purpose Senior Center. At Charrette #2, participants previewed the resulting updated draft conceptual plan and provided additional input and comment, which has informed further revision and refinement of the master plan. During the January 2017 presentations, the number of units studied was 1,000 rental apartments, however, no decision was made regarding whether the units would be for families or seniors or a combination of both.

A final round of community meetings (Community Meeting #5) was held for the Conceptual Master Plan. The same meeting agenda was conducted in the evening of October 18, 2017, at the HPHA Administrative Offices Board Room and again the following morning, October 19, 2017, at the Lanakila Multi-Purpose Senior Center. Over 60 people were in attendance on the 18th and 30 attended the meeting at the Senior Center the following day.

A Power Point presentation was shared that documented the progression of plans for the redevelopment project based on the community’s input. The presentation addressed the urgent need for additional affordable housing in Hawai‘i. While citizens have expressed concerns about the number of units, they appeared to have gained a better understanding of the social need safe, decent and affordable housing for all residents. During the presentation, it was explained how the Proposed Project happening on under-utilized state land positively impacts the cost of the overall Proposed Project.
Additional impacts from community feedback included:

1. Desire for both public and private green space.
2. No standalone parking building. Parking now included within the apartment buildings.
3. Building heights are stepped back so that the full height is not noticeable from the street.
4. The development serves seniors.

Participants were asked to discuss and document responses to the following questions that would further influence the development of the Proposed Project in the next stages.

a. How can the HPHA development be the best neighbors?

The community is most concerned about two elements. First, how will the Proposed Project impact infrastructure – namely sewer, water, electricity and transportation. While discussed at the October 2017 meetings, community members appeared unclear that the EIS process would establish how the Proposed Project would impact infrastructure and that the Proposed Project will be designed to meet existing capacity and planned upgrades. The second element desired by the community was for consideration regarding the scale and design of the Proposed Project in order to maintain and complement the character of the existing neighborhood.

b. What amenities in the public green space can best serve the community?

The most consistent recommendation is for there to be as much public and private green space as possible. The community wants gardens, benches, and walking paths. Additionally, there is a strong desire to save the trees.

c. What about this community can the HPHA redevelopment best celebrate?

The two most popular characteristics of the neighborhood that the community wants to maintain and celebrate – diversity and walkability.

b. EIS Public Engagement

In the course of Master Planning for the Proposed Project, consultation comments were solicited from agencies and organizations that may have an interest in the Proposed Project. This process helped inform the preparation of the Environmental Impact Statement.

The Proposed Project also underwent public review through the State of Hawai‘i’s Chapter 343, HRS Environmental Impact Statement (EIS) process. The EIS Preparation Notice (EISPN) was distributed to various public agencies, community and business organizations, and individuals and published in the Office of Environmental Quality Control’s (OEQC’s) The Environmental Notice on August 23, 2017, for public input prior to preparation of the EIS. The EISPN was also sent to various media outlets and libraries including all public regional libraries to provide availability to the public. The EISPN public comment period ended on September 22, 2017. Sixty-seven comments were received and responded to on the EISPN.

An EIS scoping meeting was held on September 12, 2017. The scoping meeting began with a brief presentation by PBR HAWAII to review the previously published EIS preparation notice, the
The Draft EIS was then distributed to various public agencies, community and business organizations, and individuals and published in the OEQC The Environmental Notice (TEN) on January 8, 2018. The Draft EIS was also sent to various media outlets and libraries including the nearest public libraries to provide availability to the public. The 45-day public comment period was from January 8, 2018, to February 22, 2018, during which seventy-five comments were received.

All comments received during the Draft EIS public comment period were responded to and are documented in the Final EIS, which was published in the May 8, 2018 edition of The Environmental Notice. It was accepted by Governor David Ige on July 17, 2018, with publication of the acceptance in the August 8, 2018, edition of The Environmental Notice. An electronic copy of the Final EIS is available for download here: http://oeqc2.doh.hawaii.gov/EA_EIS_Library/2018-05-08-OA-FEIS-HPHA-Administrative-Offices-Redevelopment.pdf, and the Final EIS Appendices are available for download here: http://oeqc2.doh.hawaii.gov/EA_EIS_Library/2018-05-08-OA-FEIS-HPHA-Administrative-Offices-Redevelopment-Appendices.pdf.

c. Community Engagement through the Design and 201H Processes

Phase II of the Proposed Project’s community engagement was launched in January 2020. The Lanakila Multi-Purpose Senior Center (LMPSC) hosted the first meeting (i.e., Community Meeting #6) on the morning of January 14, 2020. Over seventy people attended. The same meeting agenda was then conducted later that evening of January 14, 2020, at the HPHA Administrative Offices. The evening meeting was attended by approximately twenty people. At both meetings, the Project team shared a presentation outlining what has transpired with the Proposed Project since the Phase I community engagement in 2016-2017 and the timeline for moving the Proposed Project forward, including an overview of the 201H process.

At the January 14, 2020, meeting, questions regarding eligibility were posed to the team and many meeting attendees appeared to be interested in becoming future residents of the Proposed Project. Attendees participated in activities to provide input and feedback on the conceptual landscape plans, as well as on the overall “look and feel” of the landscaping, outdoor furniture style, and paving color palette. See Exhibit 35 for a summary of the community meeting.

As a continuation of Phase II of the Proposed Project’s community engagement, a second community meeting was scheduled for Thursday, March 19, 2020, at the HPHA Administrative Offices, and Friday, March 20, 2020, at the LMPSC. However, this meeting was cancelled in an abundance of caution to prevent the potential spread of COVID-19.

In lieu of the cancelled March 2020 community meetings, and due to the continuing need for social distancing in this time of COVID-19, an online “Virtual Community Meeting” is currently being held throughout the month of May 2020 at https://concordia.com/project/virtual-engagement/, to present Proposed Project updates, describe and explain recent changes to the
conceptual design, and provide an opportunity for public comment. The Virtual Community Meeting also includes an online activity to solicit input on possible sustainability strategies for the Proposed Project. As of May 14, 2020, comments from 21 respondents to the online activity have been received. Design comments have been varied thus far, with multiple positive comments on the overall design, as well as multiple positive comments on the sustainability strategies proposed. The most common concerns are focused on the size of the building (e.g., building heights) and parking; in particular, there is concern that parking will be unsafe for seniors. They want to be sure that seniors who are visiting have the opportunity to park close so that they won’t have to walk far or cross a busy street. Most comments on the proposed sustainability strategies so far have been focused on making the Proposed Project as energy efficient as possible while also saving on maintenance costs. Participants have also expressed gratitude for reaching out for community input combined with concern that it will be taken seriously. A copy of the online presentation materials for the May 2020 “Virtual Community Meeting” is attached as Exhibit 36.

d. Summary of Community Outreach and Engagement

Table 9 below contains a summary list of the meetings held at which the Proposed Project was presented, announced, and/or discussed as part of community outreach and engagement. See Exhibit 34 for copies of relevant Neighborhood Board No. 14 (“NB14”) meeting minutes (Feb. 12, 2018; Mar. 12, 2018; Sep. 9, 2019; and Jan. 13, 2020). Exhibit 35 contains Community Meeting Summaries, and Exhibit 36 contains a copy of the May 2020 “Virtual Community Meeting” presentation materials.

Table 9: Summary of Community Outreach and Engagement

<table>
<thead>
<tr>
<th>Neighborhood Board Meetings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jul. 13, 2015 Liliha/Pu’unui/Ålewa/Kamehameha Heights Neighborhood Board No. 14 (NB14)</td>
</tr>
<tr>
<td>Aug. 10, 2015 NB14</td>
</tr>
<tr>
<td>Oct. 10, 2016 NB14 – Presentation by RHF to NB14</td>
</tr>
<tr>
<td>Nov. 14, 2016 NB14</td>
</tr>
<tr>
<td>Nov. 16, 2016 Kalihi-Palama Neighborhood Board No. 15 (NB15)</td>
</tr>
<tr>
<td>Feb. 13, 2017 NB14</td>
</tr>
<tr>
<td>Jan. 8, 2018 NB14</td>
</tr>
<tr>
<td>Feb. 12, 2018 NB14 – Resolution in opposition to Proposed Project not adopted</td>
</tr>
<tr>
<td>Mar. 12, 2018 NB14 – Presentation by RHF to NB14</td>
</tr>
<tr>
<td>May 14, 2018 NB14</td>
</tr>
<tr>
<td>Aug. 13, 2018 NB14</td>
</tr>
<tr>
<td>Sep. 9, 2019 NB14 – Presentation by HPHA to NB14</td>
</tr>
<tr>
<td>Jan. 13, 2020 NB14 – Announcement of Jan. 14th community meeting</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Lanakila Community (“Town Hall”) Meetings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jul. 14, 2015 Lanakila Community Meeting (hosted by Councilmember Carol Fukunaga, Senator Suzanne Chun Oakland, and Representative Takashi Ohno)</td>
</tr>
<tr>
<td>Feb. 27, 2018 Lanakila Community Meeting (hosted by Councilmember Carol Fukunaga, Senator Karl Rhoads, and Representative Takashi Ohno)</td>
</tr>
</tbody>
</table>
Stakeholder Meetings

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oct. 31, 2016</td>
<td>Kalihi Social Service Providers Meeting at offices of Parents and Children Together (with representatives from Adult Friends for Youth, Helping Hands Hawaii, Institute for Human Services, Kalihi-Palama Health Center, Palama Settlement, Parents and Children Together, Susan Wesley Community Center, and YMCA of Honolulu – Kalihi Branch)</td>
</tr>
</tbody>
</table>

Public Community Meetings

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aug. 14, 2015</td>
<td>“Talk Story” Open House (at HPHA offices)</td>
</tr>
<tr>
<td>Oct. 12, 2016</td>
<td>Community Meeting #1, Kick-off Meeting (at HPHA offices)</td>
</tr>
<tr>
<td>Nov. 29, 2016</td>
<td>Community Meeting #2 (at HPHA offices)</td>
</tr>
<tr>
<td>Nov. 30, 2016</td>
<td>Community Meeting #2/Workshop (at Lanakila Multi-Purpose Senior Center [LMPSC])</td>
</tr>
<tr>
<td>Jan. 26, 2017</td>
<td>Community Meeting #3/Two-day Charrette #1 (at HPHA offices)</td>
</tr>
<tr>
<td>Jan. 27, 2017</td>
<td>Community Meeting #3/Two-day Charrette #1 (at LMPSC)</td>
</tr>
<tr>
<td>Jan. 30, 2017</td>
<td>Community Meeting #4/Two-day Charrette #2 (at HPHA offices)</td>
</tr>
<tr>
<td>Jan. 31, 2017</td>
<td>Community Meeting #4/Two-day Charrette #2 (at LMPSC)</td>
</tr>
<tr>
<td>Oct. 18, 2017</td>
<td>Community Meeting #5 (at HPHA offices)</td>
</tr>
<tr>
<td>Oct. 19, 2017</td>
<td>Community Meeting #5 (at LMPSC)</td>
</tr>
<tr>
<td>Jan. 14, 2020</td>
<td>Community Meeting #6 (at LMPSC)</td>
</tr>
<tr>
<td>Jan. 14, 2020</td>
<td>Community Meeting #6 (at HPHA offices)</td>
</tr>
<tr>
<td>Mar. 19, 2020</td>
<td>Community Meeting #7 (at HPHA offices) – CANCELLED DUE TO COVID-19</td>
</tr>
<tr>
<td>Mar. 20, 2020</td>
<td>Community Meeting #7 (at LMPSC) – CANCELLED DUE TO COVID-19</td>
</tr>
<tr>
<td>May 2020</td>
<td>Virtual Community Meeting (online public engagement)</td>
</tr>
</tbody>
</table>

16. MOBILITY ANALYSIS REPORT

Fehr and Peers completed a Mobility Analysis Report (MAR) for the Proposed Project and it is attached as Exhibit 19. It included a full traffic impact analysis as part of its scope as well as assessment of pedestrian, bicycle, and transit circulation. A summary of the recommendations is provided above in Section 3.h.4.

17. LAND USE COMMISSION APPLICATION STATUS

The Proposed Project site is in the State Land Use Urban District (Exhibit 6). Not applicable.

18. DEVELOPMENT AGREEMENT

RHF and HPHA do not intend to enter into a Development Agreement with the City Council. Not applicable.
EXHIBIT 1
Land Use Permits Division
Master Application Form
LAND USE PERMITS DIVISION MASTER APPLICATION FORM

Additional data, drawings/plans, and fee requirements are listed on a separate sheet titled "Application Instructions." PLEASE ASK FOR THESE INSTRUCTIONS.

All specified materials described in the "Instructions for Filing" and required fees must accompany this form; incomplete applications will delay processing. You are encouraged to consult with Zoning Division staff in completing the application. Please call the appropriate phone number given in the "Instructions for Filing."

Please print legibly or type the required information.

PERMIT/APPROVAL REQUESTED (Check one or more as appropriate):

| Cluster: | □ Agricultural | □ Modify Approved Permit: |
| □ Country | □ Plan Review Use |
| □ Housing | □ Planned Development: |
| | □ Housing |
| | □ Commercial (WSD Only) |
| | □ Resort (WSD Only) |
| | □ Interim Planned Development |
| | (IPD-T) |
| Conditional Use Permit: | □ Shoreline Setback Variance |
| □ Minor | □ Special District Permit: |
| □ Major | □ Minor |
| Existing Use: | □ Major |
| (Indicate Type of Use) | (Indicate District) |
| Environmental Document: | □ Downtown Height >350 Feet |
| □ Environmental Impact Statement |
| □ Environmental Assessment |
| □ Supplemental |
| □ Minor Shoreline Structure |

TAX MAP KEY(S): 1-8-009. 003 (por.)
LOT AREA; Project area: approx. 6 acres
ZONING DISTRICT(S): R-5
STREET ADDRESS/LOCATION OF PROPERTY: 1002 N. School Street, Honolulu, HI 96817
STATE LAND USE DISTRICT: Urban

RECORDED FEE OWNER:
Name & title, if any: State of Hawai‘i, Hawai‘i Public Housing Authority
Mailing Address: 1002 N. School Street, Honolulu, HI 96817
Phone Number: (808) 198-1452
Signature: [Signature]
PRESENT USE(S) OF PROPERTY/BUILDING:
HPHA administrative offices and maintenance facilities
PROJECT NAME (if any): HPHA Administrative Offices Redevelopment

APPLICANT:
Name: Retirement Housing Foundation (RHF)/Anders Platt
Mailing Address: 911 N. Studebaker Road, Long Beach, CA 90815
Phone Number: (562) 257-6309
Signature: [Signature]
AUTHORIZED AGENT/CONTACT PERSON:
Name: HBR HAWAII & Associates, Inc. (Greg Nakai)
Mailing Address: 1001 Bishop Street, Suite 650, Honolulu, HI 96813
Phone Number: (808) 521-5631
E-mail: gnakai@shdhawaii.com
Signature: [Signature]

REQUEST/PROPOSAL (Briefly describe the nature of the request, proposed activity or project): The HPHA’s primary objective of the Proposed Project is to redevelop an underutilized State land asset to facilitate delivery of urgently needed new affordable rental units in an effort to help address the existing affordable housing crisis across the State of Hawai‘i. To accomplish this, the HPHA proposes to consolidate its existing outdated and decentralized facilities with a smaller footprint of the Project Site, thereby creating a much larger developable area that can be better utilized to develop almost 800 new, affordable senior rental housing units. The Proposed Project has the potential to significantly expand the number of quality, affordable rental apartments available in the community. The Proposed Project will include replacement HPHA offices (approximately 20,000 square feet (SF) of office space); 78 first-term affordable rental units restricted for seniors earning between 30% and 80% AMI (as determined by HUD for the City and County of Honolulu), with an average no greater than 80% AMI; 3 dwelling units for on-site property managers; and complementary neighborhood commercial type retail and/or community uses up to 10,000 SF. Park-like landscaped areas, recreation decks, and on-site parking will also be incorporated.

POSSE JOB NO. __________________
REV. 1/8/2020
This page intentionally left blank.
EXHIBIT 2
Determination of Eligibility Documentation
This page intentionally left blank.
NOTICE OF ELIGIBILITY
CHAPTER 201H, HAWAII REVISED STATUTES EXEMPTIONS

File No.: 2019/ELOG-2518
Owner: State of Hawaii, Hawaii Public Housing Authority (HPHA)
Applicant: Retirement Housing Foundation (Anders Plett)
Agent: PBR Hawaii & Associates, Inc. (Greg Nakai)
Location: 1002 North School Street - Kapalama
Tax Map Key: 1-6-009: 003
Received: December 17, 2019
Request: Determination of eligibility for affordable housing exemptions pursuant to Chapter 201H, Hawaii Revised Statutes (HRS), from various planning, zoning, construction and/or development standards for an affordable housing project.

The above application has been reviewed and determined to be eligible for processing of affordable housing exemptions by the City and County of Honolulu under Chapter 201H, HRS. In addition to submitting all materials described in the Application Instructions, we recommend that the following be included when you submit your application:

1. A detailed discussion regarding the timing of the Project's phases.

2. A discussion of how the Project complies with the recommendations of the Downtown Neighborhood Transit-Oriented Development Plan, as discussed in the Master Development Agreement.

3. Two fully dimensioned site plans that are at least 24 inches by 36 inches in size showing the location of all proposed buildings, and all setbacks from property lines. This should be submitted in addition to the other plans and described in the Application Instructions.

4. A comprehensive list of all exemptions and fee waivers (including approximate dollar value) being requested, including a justification for each requested exemption detailing the purpose, need, and potential impacts of granting the exemption.
5. A comprehensive list and explanation of the other permits and/or approvals that the Project will require and text explaining the status of those permits.

Should you have any questions, please contact Alex Beatty, of our staff, at 768-8032 and refer to the above file number.

[Signature]

For: Kathy K. Sokugawa
Acting Director

Date: January 10, 2020

Note: If you have appointed an agent to represent you, all future correspondence will be with the agent. If you should change agents, please notify the Department of Planning and Permitting immediately.
201H Housing Program
Determination of Eligibility

Hawaii Public Housing Authority
Administrative Offices Redevelopment

Tax Map Key:
(1) 1-6-009: 003 (por.)

Prepared For:
Retirement Housing Foundation

Prepared By:
PBR Hawaii & Associates, Inc.

December 2019
This page intentionally left blank.
201H Program Determination of Eligibility
Check List

1. **201H Determination of Eligibility Form**
   
   *Section 1 contains a completed 201H Determination of Eligibility Form.*

2. **Evidence of Site Control**
   
   *Section 2 contains a copy of the executed Master Development Agreement (MDA) as evidence of site control for the project.*

3. **Environmental Disclosure**
   
   *Section 3 contains a copy of the FEIS Acceptance Letter, as well as a link to the FEIS on the OEQC website. Two (2) CDs containing PDFs of the FEIS and its Appendices are also enclosed with this 201H Determination of Eligibility packet.*
Section 1:
201H Determination of Eligibility Form
This page intentionally left blank.
1. Housing Affordability

i. Target Households and Affordable Units

<table>
<thead>
<tr>
<th>Restricted at % of AMI*</th>
<th>Number of units</th>
<th>Percent of total units</th>
</tr>
</thead>
<tbody>
<tr>
<td>30.0% % of AMI</td>
<td>83 units</td>
<td>10.4% %</td>
</tr>
<tr>
<td>50.0% % of AMI</td>
<td>403 units</td>
<td>50.3% %</td>
</tr>
<tr>
<td>60.0% % of AMI</td>
<td>311 units</td>
<td>38.9% %</td>
</tr>
<tr>
<td>Special Housing Needs**</td>
<td>0 units</td>
<td>0.0% %</td>
</tr>
<tr>
<td><strong>Total Affordable Units</strong></td>
<td>797 units</td>
<td></td>
</tr>
</tbody>
</table>

Market Rate Units

<table>
<thead>
<tr>
<th>Number of units</th>
<th>Percent of total units</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 units</td>
<td>0.4% %</td>
</tr>
</tbody>
</table>

**Total Number of Units

<table>
<thead>
<tr>
<th>Number of units</th>
<th>Percent of total units</th>
</tr>
</thead>
<tbody>
<tr>
<td>800 units</td>
<td>100.0% %</td>
</tr>
</tbody>
</table>

*AMI = Area Median Income per current HUD standards

** Describe the Special Housing Need of the tenants below, if applicable

ii. Length of Affordability Commitment

Length of affordability restrictions: 30 Years
2. Site Control Status

<table>
<thead>
<tr>
<th></th>
<th>Own site - fee simple</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Executed ground lease</td>
</tr>
<tr>
<td></td>
<td>Option to purchase</td>
</tr>
<tr>
<td></td>
<td>Option to lease</td>
</tr>
<tr>
<td>✔</td>
<td>Other</td>
</tr>
</tbody>
</table>

Submit evidence of site control for the project, e.g., deed, lease, agreement of sale, option agreement, or comparable document.

3. Environmental Disclosure

The project must comply with Chapter 343, HRS. If an Environmental Assessment (EA) or Environmental Impact Statement (EIS) has been published or will be published, identify the date of publication in the Office of Environmental Quality Control (OEQC) bulletin. Identify the accepting agency. Submit a copy of the most recent EA and FONSI or EIS.

<table>
<thead>
<tr>
<th>Accepting Agency:</th>
<th>Governor, State of Hawaii</th>
</tr>
</thead>
<tbody>
<tr>
<td>Check if applicable</td>
<td>Date of publication or estimated completion date.</td>
</tr>
<tr>
<td>☐ No EA or EIS is required</td>
<td>(specify reason)</td>
</tr>
<tr>
<td>☐ EA status and finding</td>
<td></td>
</tr>
<tr>
<td>✔ EIS status</td>
<td>Governor accepted Final EIS on 7/17/18. Published 8/8/18</td>
</tr>
<tr>
<td>☐ NEPA compliance status</td>
<td></td>
</tr>
</tbody>
</table>
Section 2:
Evidence of Site Control
MASTER DEVELOPMENT AGREEMENT

FOR THE

SCHOOL STREET REDEVELOPMENT PROJECT

between

HAWAII PUBLIC HOUSING AUTHORITY

and

RHF FOUNDATION, INC.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>ARTICLE</th>
<th>DESCRIPTION</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>DEFINITIONS</td>
<td>2</td>
</tr>
<tr>
<td>1.1</td>
<td>Definitions</td>
<td>2</td>
</tr>
<tr>
<td>1.2</td>
<td>List of Exhibits</td>
<td>7</td>
</tr>
<tr>
<td>2.</td>
<td>MASTER DEVELOPMENT PROCESS; ENVIRONMENTAL REVIEW</td>
<td>7</td>
</tr>
<tr>
<td>2.1</td>
<td>Grant of Development Rights &amp; Preliminary Master Development Plan</td>
<td>7</td>
</tr>
<tr>
<td>2.2</td>
<td>Environmental Review</td>
<td>9</td>
</tr>
<tr>
<td>2.3</td>
<td>Phased Development: Separate DDAs and Ground Leases</td>
<td>10</td>
</tr>
<tr>
<td>3.</td>
<td>GENERAL DUTIES OF PARTIES</td>
<td>12</td>
</tr>
<tr>
<td>3.1</td>
<td>General Developer Obligations</td>
<td>12</td>
</tr>
<tr>
<td>3.2</td>
<td>General Authority Obligations</td>
<td>16</td>
</tr>
<tr>
<td>3.3</td>
<td>Mutual Obligations</td>
<td>17</td>
</tr>
<tr>
<td>3.4</td>
<td>Tax Exemption Processing</td>
<td>18</td>
</tr>
<tr>
<td>4.</td>
<td>DEVELOPER PREDERIVATION COMPONENT</td>
<td>18</td>
</tr>
<tr>
<td>4.1</td>
<td>Developer Responsibility and Management</td>
<td>18</td>
</tr>
<tr>
<td>4.2</td>
<td>Environmental Review</td>
<td>18</td>
</tr>
<tr>
<td>4.3</td>
<td>Site Investigation; Title</td>
<td>18</td>
</tr>
<tr>
<td>4.4</td>
<td>Master Planning</td>
<td>18</td>
</tr>
<tr>
<td>4.5</td>
<td>Phase I Activities</td>
<td>18</td>
</tr>
<tr>
<td>4.6</td>
<td>Real Estate Tax Exemptions and Abatements</td>
<td>19</td>
</tr>
<tr>
<td>5.</td>
<td>DEVELOPMENT COMPONENTS</td>
<td>19</td>
</tr>
<tr>
<td>5.1</td>
<td>Owner Entities</td>
<td>19</td>
</tr>
<tr>
<td>5.2</td>
<td>Closings Generally</td>
<td>19</td>
</tr>
<tr>
<td>5.3</td>
<td>Land Development Component</td>
<td>20</td>
</tr>
<tr>
<td>5.4</td>
<td>Administrative Office Component</td>
<td>20</td>
</tr>
<tr>
<td>5.5</td>
<td>Long Term Affordability Requirements</td>
<td>21</td>
</tr>
<tr>
<td>6.</td>
<td>SPECIFIED BUSINESS TERMS</td>
<td>21</td>
</tr>
<tr>
<td>6.1</td>
<td>Phase I Predevelopment Costs</td>
<td>21</td>
</tr>
<tr>
<td>6.2</td>
<td>Predevelopment Costs</td>
<td>21</td>
</tr>
<tr>
<td>6.3</td>
<td>Site Control &amp; Ground Lease Provisions</td>
<td>22</td>
</tr>
<tr>
<td>6.4</td>
<td>Guarantees</td>
<td>23</td>
</tr>
<tr>
<td>6.5</td>
<td>Developer Fee</td>
<td>23</td>
</tr>
<tr>
<td>6.6</td>
<td>Cash Flow and Capital Transactions</td>
<td>23</td>
</tr>
<tr>
<td>6.7</td>
<td>Construction Savings</td>
<td>24</td>
</tr>
<tr>
<td>7.</td>
<td>DESIGN/CONSTRUCTION/CONVEYANCE</td>
<td>24</td>
</tr>
<tr>
<td>7.1</td>
<td>Plans and Schedules</td>
<td>24</td>
</tr>
<tr>
<td>7.2</td>
<td>General Construction Services</td>
<td>25</td>
</tr>
<tr>
<td>7.3</td>
<td>Conduct of Work</td>
<td>25</td>
</tr>
<tr>
<td>7.4</td>
<td>Hazardous Materials</td>
<td>26</td>
</tr>
<tr>
<td>7.5</td>
<td>As-Is Conveyance</td>
<td>29</td>
</tr>
<tr>
<td>8.</td>
<td>MANAGEMENT AND OPERATION OF DEVELOPMENT COMPONENTS</td>
<td>29</td>
</tr>
<tr>
<td>8.1</td>
<td>Management of Owner</td>
<td>29</td>
</tr>
<tr>
<td>8.2</td>
<td>Reserved</td>
<td>29</td>
</tr>
<tr>
<td>8.3</td>
<td>Property Management</td>
<td>29</td>
</tr>
</tbody>
</table>
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.4</td>
<td>Purchase Option and Right of First Refusal</td>
<td>30</td>
</tr>
<tr>
<td>9.1</td>
<td>Definition of Transfer</td>
<td>31</td>
</tr>
<tr>
<td>9.2</td>
<td>Purpose of Restrictions on Transfer</td>
<td>31</td>
</tr>
<tr>
<td>9.3</td>
<td>Prohibited Transfers</td>
<td>32</td>
</tr>
<tr>
<td>9.4</td>
<td>Transfers with Authority Consent</td>
<td>32</td>
</tr>
<tr>
<td>10.1</td>
<td>Non-Discrimination</td>
<td>32</td>
</tr>
<tr>
<td>10.2</td>
<td>Equal Opportunity/Contracting/Section 3</td>
<td>32</td>
</tr>
<tr>
<td>11.1</td>
<td>Certain Requirements</td>
<td>33</td>
</tr>
<tr>
<td>11.2</td>
<td>Access to Records</td>
<td>33</td>
</tr>
<tr>
<td>11.3</td>
<td>Developer Conflict of Interest</td>
<td>33</td>
</tr>
<tr>
<td>12.1</td>
<td>Insurance Requirements</td>
<td>34</td>
</tr>
<tr>
<td>12.2</td>
<td>Indemnification</td>
<td>34</td>
</tr>
<tr>
<td>13.1</td>
<td>Termination for Cause</td>
<td>34</td>
</tr>
<tr>
<td>13.2</td>
<td>Events of Default by the Developer</td>
<td>34</td>
</tr>
<tr>
<td>13.3</td>
<td>Events of Default by the Authority</td>
<td>35</td>
</tr>
<tr>
<td>14.1</td>
<td>Termination for Convenience by Either Party</td>
<td>35</td>
</tr>
<tr>
<td>14.2</td>
<td>Termination for Convenience by the Authority</td>
<td>35</td>
</tr>
<tr>
<td>14.3</td>
<td>Developer’s Reasonable Costs</td>
<td>35</td>
</tr>
<tr>
<td>14.4</td>
<td>Release; Survival</td>
<td>36</td>
</tr>
<tr>
<td>15.1</td>
<td>Termination Without Fault</td>
<td>36</td>
</tr>
<tr>
<td>15.2</td>
<td>No Fault of Parties</td>
<td>36</td>
</tr>
<tr>
<td>15.3</td>
<td>Release; Survival</td>
<td>37</td>
</tr>
<tr>
<td>16.1</td>
<td>Parties’ Disputes</td>
<td>37</td>
</tr>
<tr>
<td>16.2</td>
<td>Definition of Claim Governed by Dispute Clause</td>
<td>37</td>
</tr>
<tr>
<td>16.3</td>
<td>Applicability of Dispute Clause</td>
<td>38</td>
</tr>
<tr>
<td>16.4</td>
<td>Written Claims to be Submitted to Contracting Officer</td>
<td>38</td>
</tr>
<tr>
<td>16.5</td>
<td>Notice of Decision or Decision Date</td>
<td>38</td>
</tr>
<tr>
<td>16.6</td>
<td>Effect of Contracting Officer’s Decision</td>
<td>38</td>
</tr>
<tr>
<td>16.7</td>
<td>Developer’s Duty to Perform Pending Claim Resolution</td>
<td>38</td>
</tr>
<tr>
<td>17.1</td>
<td>Identification of Contracting Officer</td>
<td>38</td>
</tr>
<tr>
<td>17.2</td>
<td>Developer’s Warranty of Good Standing and Authority</td>
<td>38</td>
</tr>
<tr>
<td>17.3</td>
<td>Authority’s Warranty of Good Standing and Authority</td>
<td>39</td>
</tr>
<tr>
<td>18.1</td>
<td>Miscellaneous</td>
<td>40</td>
</tr>
<tr>
<td>18.2</td>
<td>Term &amp; Deposit</td>
<td>40</td>
</tr>
<tr>
<td>18.3</td>
<td>Decision Standards</td>
<td>40</td>
</tr>
<tr>
<td>18.4</td>
<td>Notices</td>
<td>40</td>
</tr>
<tr>
<td>18.5</td>
<td>Representatives</td>
<td>41</td>
</tr>
<tr>
<td>18.6</td>
<td>Counterparts</td>
<td>41</td>
</tr>
</tbody>
</table>
TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 18.7</td>
<td>Interpretation and Governing Law</td>
<td>42</td>
</tr>
<tr>
<td>Section 18.8</td>
<td>Severability</td>
<td>42</td>
</tr>
<tr>
<td>Section 18.9</td>
<td>Entire Agreement</td>
<td>42</td>
</tr>
<tr>
<td>Section 18.10</td>
<td>Non-Liability</td>
<td>42</td>
</tr>
<tr>
<td>Section 18.11</td>
<td>Employees and Liabilities</td>
<td>42</td>
</tr>
<tr>
<td>Section 18.12</td>
<td>No Agency Created</td>
<td>43</td>
</tr>
<tr>
<td>Section 18.13</td>
<td>Waivers</td>
<td>43</td>
</tr>
<tr>
<td>Section 18.14</td>
<td>Successors</td>
<td>43</td>
</tr>
<tr>
<td>Section 18.15</td>
<td>Headings; Sections; Exhibits</td>
<td>43</td>
</tr>
<tr>
<td>Section 18.16</td>
<td>Construction</td>
<td>43</td>
</tr>
<tr>
<td>Section 18.17</td>
<td>Cumulative Rights</td>
<td>43</td>
</tr>
<tr>
<td>Section 18.18</td>
<td>Business Licenses/Organizational Clearances</td>
<td>43</td>
</tr>
<tr>
<td>Section 18.19</td>
<td>Time of Performance</td>
<td>43</td>
</tr>
<tr>
<td>Section 18.20</td>
<td>Amendment</td>
<td>44</td>
</tr>
<tr>
<td>Section 18.21</td>
<td>Attorneys’ Fees</td>
<td>44</td>
</tr>
</tbody>
</table>

Exhibit A  Description of Property
Exhibit B  Master Development Plan
Exhibit C  Master Development Schedule
Exhibit D  Master Development Budget
Exhibit E  Remaining Master Planning
Exhibit F  Master Planning Costs
Exhibit G  Shared Predevelopment Costs
Exhibit H  Insurance Requirements
Exhibit I  State of Hawaii General Conditions
Exhibit J  Approved Contractors
MASTER DEVELOPMENT AGREEMENT
FOR THE SCHOOL STREET REDEVELOPMENT PROJECT

This Master Development Agreement for the School Street Redevelopment Project (this “Agreement”) is dated for convenience as of ______________, 2019 (the “Effective Date”) between the HAWAII PUBLIC HOUSING AUTHORITY, a public body corporate and politic, organized under the laws of the State of Hawaii (the “Authority”) and RHF FOUNDATION, INC., a California non-profit corporation authorized to do business in the State of Hawaii (the “Developer” and collectively with the Authority, the “Parties”), with reference to the following facts.

RECATIALS

A. The Authority is a public housing authority formed pursuant to Chapter 356D of Hawaii Revised Statutes (“HRS”). The Authority is the fee simple owner of certain land consisting of 12.481 acres located at 1002 North School Street, Honolulu, Hawaii, 96817 and more particularly described in the attached Exhibit A from the State of Hawaii, Tax Map Key No. (1) 1-6-009-003 (the “Authority Property”).

B. The RFQ (defined below) provided for the redevelopment (the “School Street Redevelopment Project”) of a portion of the Authority Property that, once subdivided, shall consist of approximately 6.6 acres of Authority Property (the “Property”).

C. On January 13, 2015, the Authority issued “Request for Qualifications for Master Developer for the Mixed Income, Mixed Use Redevelopment of the Authority’s Administrative Offices and the Development of Low Income Public Housing Units on the Island of Oahu (RFQ OED-2015-05)” (the “RFQ”) and Retirement Housing Foundation submitted certain qualifications and proposals for the development of the Property. The RFQ selection committee selected Retirement Housing Foundation and by action of the Authority Board on June 18, 2015, the Authority elected to commence preliminary negotiations with the Retirement Housing Foundation regarding the terms and conditions for developing the Property.

D. Retirement Housing Foundation elected to use its affiliated entity, “RHF Foundation, Inc.” to serve as the developer. Developer and the Authority entered into that certain Predevelopment Agreement dated as of May ____, 2016, as amended by that certain First Amendment to Predevelopment Agreement dated December 27, 2018 (the “Predevelopment Agreement”) under which Developer agreed to undertake, and advance the cost and expense (to be reimbursed as specified in Section 6.1), certain master planning and environmental review activities. Specifically, the Developer, in collaboration with the Authority, has engaged and will continue to regularly engage in a master planning process with community stakeholders in order to develop a comprehensive revitalization strategy for the redevelopment of the Property involving: (i) public and private investment in and around the Property; (ii) a plan for a mixed-income and mixed-use development consistent with the Honolulu Downtown Transit Oriented Development (“TOD”) Plan; and (iii) a plan that is neighborhood-focused and includes residential and non-residential uses, including community space and commercial uses.
E. The Predevelopment Agreement terminated on June 30, 2019 as the term had expired. Notwithstanding the termination the Predevelopment Agreement, the Parties agree to incorporate certain terms and conditions of the Predevelopment Agreement into this Agreement.

F. This Agreement is intended to govern the entire redevelopment of the Property. In accordance with this Agreement, the redevelopment will be undertaken in phases pursuant to separate phase-specific development agreements that will provide conditions to the conveyance of ground leases specific to each Development Phase. This Agreement in itself does not convey any right, title or possessory interest in the Property. The Developer will not have any right to, or obligations arising from, possession of any part of the Property, except under the Right of Entry provided for in this Agreement, until a preconstruction license or ground lease has been provided in accordance with this Agreement. This Agreement also does not obligate either Party to provide funding for the Development or any activities contemplated under this Agreement, including, but not limited to, predevelopment activities, unless and until all of the conditions to such Parties funding and activities have been met, as further provided in this Agreement.

G. As described in and required by the Predevelopment Agreement, the Developer completed, at its sole cost, the analyses, work product and proposed conclusions to support the environmental review of the Preliminary Master Development Plan, as defined below, required under State law, including but not limited to, HRS Chapter 343, and any applicable Federal law (collectively, “Environmental Review”). Notwithstanding the Predevelopment Agreement, pursuant to this Agreement, the Parties agree that the Developer shall be reimbursed certain costs described in this paragraph as set forth in Section 6.1. This Agreement is expressly conditioned upon and made subject to compliance with all applicable State and Federal Environmental Review requirements.

H. Certain capitalized terms used in this Agreement which are not otherwise defined shall have the meanings set forth in Article 1.

In consideration of the foregoing recitals and underlying promises, which the Parties agree to be good and valuable consideration, the Parties agree as follows:

**ARTICLE 1. DEFINITIONS**

**Section 1.1 Definitions.**

(A) “Administrative Office Component” shall mean approximately 30,000 square feet of space to be developed and constructed on a Development Site for the use and occupancy by the Authority for its administrative offices.

(B) “Affiliate” shall mean, with respect to Developer, (1) any entity providing services for the Development whose management and operation is controlled by Developer; (2) any entity providing services for the Development in which an entity described in (1) has a controlling interest; (3) any entity providing services for the Development a majority of whose voting equity is owned by Developer, or for which Developer serves as the managing member or
general partner; or (4) any entity in which, or with which, Developer, its successors or assigns, is merged or consolidated, in accordance with applicable statutory provisions for merger or consolidation, so long as the liabilities of the entities participating in such merger or consolidation are assumed by the entity surviving such merger or created by such consolidation.

(C) "Agreement" shall mean this Master Development Agreement for the School Street Redevelopment Project (including the Recitals and all Exhibits attached hereto), as supplemented and revised by the incorporation herein of the Master Development Plan.

(D) "Applicable Requirements" shall mean Federal, State, and local laws, rules and regulations, to the extent applicable.

(E) "Architect" shall mean Design Partners, Inc., PBR Hawaii Associates, Inc., and one or more architects selected by the Developer and approved by the Authority, or any successor(s) selected by the Developer and approved by the Authority in its sole discretion.

(F) "Authority" shall mean the Hawaii Public Housing Authority, a public body corporate and politic, organized under the laws of the State of Hawaii including any successor in interest or assigns by act of the Authority, or by operation of law, or otherwise.

(G) "Authority Board" shall mean the Board of Directors of the Authority.

(H) "Authority Closing Documents" shall mean the documents described in Section 5.2(A).

(I) "City" shall mean the City and County of Honolulu, Hawaii.

(J) "Closing" shall mean with regard to any Development Phase, the recodination date of the Ground Lease demising each Development Site and the first priority mortgage securing financing for such Development Phase.

(K) "Commercial Development Component" shall mean up to an aggregate of approximately 10,000 square feet of commercial space that will be integrated into the Development Phases.

(L) "Community Facilities" shall mean the common area spaces associated with a Housing Development Component.

(M) "Compliance Period" shall have the meaning given in Section 8.4(A).

(N) "Contractor" shall mean any person or entity, including consultants, who performs services in connection with the Development or supplies labor, materials, or equipment for use in connection with the Development, other than the Developer, any General Contractor(s), or any Affiliate(s).

(O) "DDA" shall mean a Disposition and Development Agreement,
implementation agreement or similar agreement between the Authority and the Developer or Owner relating to a Development Phase, as more fully described in Section 2.3.

(P) "Design Development Documents" shall have the meaning given in Section 7.1(B).

(Q) "Developer" shall mean, RHF Foundation, Inc., a California non-profit corporation. As used in this Agreement and as the context may require, the term Developer may mean an Affiliate of the Developer, including an Owner, providing services to for the Development.

(R) "Development" shall mean the mixed-use project that shall result from the redevelopment of the School Street Redevelopment Project under this Agreement in accordance with the Master Development Plan.

(S) "Development Components" shall mean, collectively, the Predevelopment Component, Administrative Office Component, Housing Development Components, Land Development Component and the Commercial Development Component, and each individually, a "Development Component".

(T) "Development Phase" shall mean a distinct portion of the Development, which may include sub-phases, to be developed during a specified time within the Master Development Schedule as described in Section 2.1(B).

(U) "Development Site" shall mean that portion of the Property under development in connection with a Development Phase.

(V) "EIS" shall have the meaning given in Section 2.2(A).

(W) "Environmental Law" shall mean any present or future Federal, State or local law, ordinance, rule, regulation, permit, license or binding determination of any governmental authority relating to, imposing liability or standards concerning, or otherwise addressing the environment, health or safety pursuant to applicable Federal, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 et seq., ("CERCLA"); the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq., ("RCRA"); the Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq. ("TSCA"); the Clean Air Act, 42 U.S.C. Section 7401 et seq.; the Clean Water Act, 33 U.S.C. Section 1251 et seq.; and the Occupational Safety and Health Act, 29 U.S.C. Section 651 et seq. ("OSHA"), State and local laws.

(X) "Environmental Review" shall have the meaning given in Recital G, as more particularly described in Section 2.2.

(Y) "Event of Default" shall have the meaning set forth in Article 13.

(Z) "FEIS" shall have the meaning given in Section 2.2(D).
(AA) “Force Majeure” shall mean causes beyond the control and without the fault of negligence of a Party, examples of which include, without limitation: (i) acts of God, or of the public enemy, (ii) war or acts of terrorism, (iii) fires, (iv) floods or earthquakes, (v) epidemics, (vi) strikes or lockouts and (vii) freight embargoes.

(BB) “General Contractor” means the general contractor for the construction of any Development Phase, as more particularly described in Section 3.1(F).

(CC) “Governor” means the Governor of the State of Hawaii and his/her successors and assigns.

(DD) “Ground Lease” shall mean any ground lease agreement, the Authority and Developer shall negotiate, execute and record for the Development in accordance with the terms of Sections 2.3(B) and 6.3.

(EE) “Hazardous Materials” shall mean, without limitation, “hazardous substances” as defined by CERCLA; “hazardous wastes” as defined by RCRA; any hazardous, dangerous or toxic chemical, waste, pollutant, contaminant or substance (“pollutant”) within the meaning of any Environmental Law prohibiting, limiting or otherwise regulating the use, exposure, release, emission, discharge, generation, manufacture, sale, transport, handling, storage, treatment, reuse, presence, disposal or recycling of such pollutant; petroleum crude oil or fraction thereof; any radioactive material, including any source, special nuclear or by-product material as defined in 42 U.S.C. Section 2011 et seq., and amendments thereto and reauthorizations thereof; asbestos-containing materials in any form or condition; and polychlorinated biphenyls in any form or condition.

(FF) “HHFDC” shall mean the Hawaii Housing Development and Finance Corporation, or its successor agency.

(GG) “Housing Development Component” shall mean each residential Development Phase set forth in Article 5.

(HH) “HRS” shall mean Hawaii Revised Statutes.

(II) “HUD” shall mean the U.S. Department of Housing and Urban Development.

(JJ) “Investor” shall mean a low income housing tax credit equity investor which shall own the principal equity interest in the Owner for a Development Phase which is awarded LIHTC.

(KK) “Land Development Component” shall mean the subdivision of the Property into at least four (4) separate lots of record and may include demolition of existing structures and improvements, site grading and preparation, and installation and construction of infrastructure.
(LL) "Land Use Entitlements" shall have the meaning given in Section 3.1(E), provided, however, that as specifically used in the Master Development Schedule, the term excludes building permits and certificates of occupancy.

(MM) "Low-Income Housing Tax Credit" or "LIHTC" shall mean the credit available under Section 42 of the Internal Revenue Code of 1986, as amended, and HRS Section 235-110.8.

(NN) "Master Development Budget" refers to the preliminary budget for the entire Development attached hereto as Exhibit D, as it may be amended by (i) mutual agreement of the Parties in accordance with this Agreement and (ii) each Phase-Specific Development Plan incorporated in a DDA. The Master Development Budget shall include those third party costs related to each Development Phase, and is subject to Authority approval.

(OO) "Master Development Plan" shall mean the master development plan, attached hereto as Exhibit B, resulting from the Preliminary Master Development Plan and FEIS, as may be amended by each Phase-Specific Development Plan incorporated in a DDA.

(PP) "Master Development Schedule" shall mean the schedule attached hereto as Exhibit C setting forth major milestones for the Development and the time for performance of certain actions under this Agreement, which schedule is expected to be modified from time to time as described in Exhibit C and at other times as the Parties deem appropriate, provided that such modifications must be agreed to in writing by both Parties unless adjusted by Force Majeure. The Master Development Schedule shall be amended by each Phase-Specific Development Plan incorporated in a DDA.

(QQ) "Owner" shall mean the entity created by the Developer to own any Development Phase.

(RR) "Parties" shall mean the Authority and the Developer.

(SS) "Phase I" shall mean the first Development Phase.

(TT) "Phase I DDA" shall have the meaning given in Section 2.3(A).

(UU) "Phase I Development Plan" shall have the meaning given in Section 2.3(A).

(VV) "Phase-Specific Development Plan" shall mean a development and financing plan for each Development Phase, including, without limitation, a budget, schedule and conceptual design, pursuant to Section 2.3(A).

(WW) "Predevelopment Agreement" shall have the meaning given in Recital D.

(XX) "Predevelopment Component" shall mean the development of the
Property under Article 4.

(YY) "Preliminary Master Development Plan" shall mean, collectively, the preliminary description of the plan for the Development (i) in the form of the Executive Summary to the School Street Redevelopment Project Preliminary Redevelopment Master Plan, and (ii) as described in Section 2.1, which plan is subject to final Authority approval and may be amended by the Parties in accordance with this Agreement.

(ZZ) "Property" shall have the meaning given in Recital B.

(AAA) "RFQ" shall have the meaning given in Recital C.

(BBB) "Right of Entry" shall have the meaning given in Section 2.3(D).

(CCC) "Shared Cost" shall have the meaning given in Section 6.2.

(DDD) "State" shall mean the State of Hawaii.

(EEE) "Term" shall have the meaning given in Section 18.1.

(FFF) "Transferred Phase" shall have the meaning given in Section 5.2(C).

(GGG) "Work Product" shall mean, without limitation, all designs, plans, specifications, entitlements, permits, approvals, development rights, reports, studies, instruments of service and development-related agreements associated with the development of the Property under this Agreement.

Section 1.2 List of Exhibits.

Exhibit A Description of Property
Exhibit B Master Development Plan
Exhibit C Master Development Schedule
Exhibit D Master Development Budget
Exhibit E Remaining Master Planning
Exhibit F Master Planning Costs
Exhibit G Shared Predevelopment Costs
Exhibit H Insurance Requirements
Exhibit I State of Hawaii General Conditions
Exhibit J Approved Contractors

ARTICLE 2.
MASTER DEVELOPMENT PROCESS; ENVIRONMENTAL REVIEW

Section 2.1 Grant of Development Rights & Master Development Plan.

(A) Grant of Development Rights. The Authority hereby grants to Developer
the sole and exclusive right to design, construct, own (subject to a Ground Lease as set forth in Section 2.3(B) and 6.3, except for the Administrative Office Component which ownership interests and structure shall be set forth in a DDA), manage (subject to Section 8.3), rent and operate the Development (including the Development Components) as set forth in this Agreement.

(B) **Master Development Plan.** As more particularly described in the Master Development Plan attached as Exhibit B, the Development shall consist of a mixed-use, multi-phase project composed of land development, administrative offices, affordable rental housing units, commercial components and Community Facilities. Subject to the FEIS, the Development shall contain a maximum of eight hundred (800) residential rental units with varying levels of affordability, provided that the actual unit count, shall be determined by market analysis, all as approved by the Authority in accordance with this Agreement and to the extent approved for financing and the allocation of LIHTC. The Development shall also contain an approximately thirty thousand (30,000) square foot office facility for the Authority as its central administrative offices and approximately ten thousand (10,000) square feet of commercial/retail space integrated within the Development Phases, with the exact uses to be determined by market analysis and the FEIS, all as approved by the Authority in accordance with this Agreement and subject to approval by lenders for the applicable Development Phase.

(C) **Development Phases.** The Development is anticipated to be constructed in multiple Development Phases over a period of approximately eight (8) to twelve (12) years, as shown on the Master Development Schedule. Each Development Phase may consist of different Development Components that may be developed, financed and constructed concurrently in accordance with this Agreement, including:

1. The first Development Phase consists of (i) a portion of the Land Development Component, (ii) a Housing Development Component of approximately two hundred fifty (250) dwelling units and (iii) the Administrative Office Component. The Authority and Developer may divide the first Development Phase into two (2) sub-Development Phases to provide for a Housing Development Component, to be referred to as “Phase IA”, and the Administrative Office Component, to be referred to as “Phase IB”.

2. The second Development Phase consists of (i) a portion of the Land Development Component, (ii) a Housing Development Component of approximately two hundred fifty (250) dwelling units and (iii) a portion of the Commercial Development Component.

3. The third Development Phase consists of (i) any remaining Land Development Component, (ii) a Housing Development Component of approximately three hundred (300) dwelling units and (iii) a portion of the Commercial Development Component.

The foregoing Development Phases are preliminarily described with more particularity in the Master Development Plan, but are subject to planning, approval, permitting, funding, financing, construction and other development considerations to be set forth in Phase-Specific Development Plans.

(D) **Master Development Budget.** The Master Development Budget for the
entire Development is attached as Exhibit D. Financing set forth in the Master Development Budget shall be pursued in accordance with Sections 3.1(D) and 3.2(A) and (B).

Section 2.2 Environmental Review. The Authority acknowledges that the Developer completed the Environmental Review in compliance with all Federal and State Environmental Review requirements, to the extent applicable, in accordance with the provisions of this Section and all applicable laws.

(A) Developer Role. At its sole cost and expense under the Predevelopment Agreement, Developer prepared, processed and diligently obtained approval of any and all required environmental assessments, environmental impact statement preparation notices, and environmental impact statements ("EIS") required under HRS Chapter 343 and State of Hawaii Department of Health Hawaii Administrative Rules ("HAR") Chapter 200, Title 11 for Developer to implement the Preliminary Master Development Plan or, as applicable, the Master Development Plan. Notwithstanding the Predevelopment Agreement, Developer shall be reimbursed for certain costs and expenses described in this paragraph as set forth in Section 6.1.

(B) EIS Notice. On August 23, 2017, the Authority submitted an Environmental Impact Statement Preparation Notice for School Street Redevelopment, the Hawai‘i Public Housing Authority Administrative Offices Redevelopment Environmental Impact Statement Preparation Notice ("EISPN"), for publication in The Environmental Notice publication of the State of Hawaii Office of Environmental Quality Control ("OEQC") in accordance with all State requirements.

(C) Draft EIS. PBR Hawaii & Associates and Concordia, as Contractors, prepared a Draft EIS, the Hawai‘i Public Housing Authority Administrative Offices Redevelopment Draft Environmental Impact Statement ("DEIS"). The Authority and the Developer submitted the DEIS to the OEQC and the Governor in accordance with all State requirements. The Authority caused (i) the publication of the DEIS in The Environmental Notice of OEQC and (ii) the DEIS to be posted to the OEQC website, to initiate the required 45-day comment period. The Authority and Developer acknowledge that the DEIS was submitted to the Governor on January 8, 2018 and the 45-day comment period concluded on February 22, 2018.

(D) Final EIS. Comments to the DEIS received during the public comment period, including those from City, State and Federal agencies, and corresponding responses were incorporated in to a Final EIS ("FEIS"). The Authority and Developer caused (i) the FEIS to be submitted to OEQC and the Governor, (ii) the publication of the FEIS in The Environmental Notice of OEQC and (iii) the FEIS to be posted to the OEQC website, all in accordance with State requirements. Pursuant to HAR Section 11-200-23(c), the Authority requested that OEQC make a recommendation regarding the acceptability or non-acceptability of the FEIS. The FEIS is deemed approved thirty (30) days following acceptance by the Governor, subject to an additional 60-day judicial challenge period during which an aggrieved party may challenge the acceptance determination. The Authority and Developer acknowledge that the FEIS was (a) submitted to OEQC and the Governor on April 26, 2018 and published in The Environmental Notice of OEQC and posted on the OEQC website on May 8, 2018, (b) accepted and signed by the Governor on August 1, 2018 and (c) no longer subject to the 60-day judicial challenge period on October 7,
(E) **Authority Approval.** Since (i) the Governor has accepted the FEIS as described in Section 2.2(D), and (ii) the period for initiating a judicial challenge of the Governor's acceptance of the FEIS has expired and no such challenge has been initiated, the Authority shall be deemed to have approved the FEIS. The Authority hereby approves the FEIS.

(F) **FEIS Applicability.** The Developer shall develop the Development in accordance with the FEIS and all applicable Environmental Review requirements. If there is a conflict between the FEIS and this Agreement or the Master Development Plan, the FEIS shall control. The Authority shall not, except in accordance with the FEIS and any continuing Environmental Review requirements, if any, (i) convey any leasehold or other interest in the Property to the Developer, (ii) commit or provide any funds for the Development, (iii) provide any permits other than the Right of Entry under this Agreement or (iv) authorize any development activity on the Property, including, without limitation, any relocation, demolition or construction activity.

Section 2.3 **Phased Development: Separate DDAs and Ground Leases.** Each Development Phase will be treated as a sub-project within the Development and will be developed in accordance with a specific DDA.

(A) **Phase-Specific Development Plans and DDAs.** The Parties will negotiate and enter into a DDA specific to each Development Phase or sub-phase, as applicable. Each DDA shall incorporate a Phase-Specific Development Plan consistent with the terms of this Agreement and such other terms mutually acceptable to the Developer and the Authority. With respect to first Development Phase, the Developer shall provide, with information and assistance from the Authority, a Phase-Specific Development Plan (the "**Phase I Development Plan**") and the Parties shall execute a DDA (the "**Phase I DDA**"), by the times set forth in the Master Development Schedule, respectively. The Parties shall amend the Master Development Schedule to provide similar deadlines for subsequent Development Phases. Each DDA shall contain the conditions, rights and obligations specific to the disposition and conveyance to Developer of the Ground Lease for the particular Development Site and the specific development and financing plan, budget, schedule, design, plans and specifications, evidence of applicable government approvals, proof of insurance, provision for the cost savings as set forth in Section 6.7, provided that the DDAs shall incorporate as many provisions of this Agreement as shall be applicable. As a part of the Phase I Development Plan, the Developer will submit to the Authority for approval a specific plan for the activities described in Section 4.5.

(B) **Ground Leases.** The Authority and the Developer shall negotiate the terms of the Ground Lease demising each Development Site for each Housing Development Component or applicable Development Phase to be executed and recorded at the Closing of such Development Phase pursuant to all Applicable Requirements. Terms applicable to each Ground Lease are set forth in Section 6.3.

(C) **Form of Documents.** Subject to the applicable provisions of this Agreement, the Parties shall endeavor to use the substantially same form of DDA and Ground Lease for each
similar Development Phase as appropriate to the specifics of the Development Phase.

(D) Right of Entry. During the Term of and subject to the terms and conditions of this Agreement, the Authority grants to the Developer and the Developer’s agents the right to enter upon the Property for the exclusive purpose of conducting studies and investigations that will assist the Developer in performing due diligence necessary or permitted under this Agreement (the “Right of Entry”). Each and any such entry shall be made only during regular business hours and upon not less than two (2) business days advance telephonic or electronic mail notice to the Authority. Unless Developer will be accompanied by an Authority employee who will be present at all times during the entry, Developer shall obtain a specific right of entry authorization from the Authority before making such entry. Except for such investigations, Developer shall not conduct any physical site work, demolition or construction on the Property under the Right of Entry. If tenants reside on the Property, all persons conducting studies and investigations on the Property must wear a uniform or clearly visible identification tag that provides the name of such person and the name of the company or business they are representing. Prior to entering the Property pursuant to the Right of Entry contained in this Section or under a specific right of entry, the Developer shall provide the Authority with satisfactory evidence that Developer and any applicable consultants, subcontractors or agents are insured in accordance with the insurance requirements under Exhibit H of this Agreement. Developer shall indemnify the Authority in accordance with Section 12.2 with respect to any and all liability the Authority may incur in connection with the Right of Entry, except to the extent arising from the willful misconduct or gross negligence of the Authority.

(E) No Rights in Property. As of the Effective Date, and except for the Right of Entry, Developer agrees and acknowledges that Developer has no right, title or interest in or to any part of the Property and that this Agreement does not grant or convey any estate or interest in real property. Developer will not commit or suffer any act or neglect whereby the Property or any improvements thereon or the estate or interest of the Authority and/or the State therein shall at any time during the term of this Agreement become subject to any attachment, judgment, lien, charge or encumbrance whatsoever, and will indemnify, defend and hold the Authority and the State harmless from and against all loss, cost or expense with respect thereto (including reasonable attorney’s fees), except to the extent arising from the willful misconduct or gross negligence of the Authority. If any lien for work, labor, services or materials done for or supplied to the Property by, on behalf of or through Developer is filed against the Property, Developer shall have sixty (60) days from the date of filing in which to cause such lien to be discharged of record by payment, deposit, bond or other reasonably satisfactory alternative approved by the Authority and the State, as the case may be. The foregoing covenants of Developer shall survive any termination of this Agreement. In addition, this Agreement shall not be recorded.

(F) Modifications to Master Development Plan. Developer shall prepare for the Authority’s review, approval, and if applicable, any amendment to the Master Development Plan that may be necessitated by the evolution of plans. As Developer deems appropriate from time to time and subject to the FEIS, Developer may propose for the Authority’s approval, which approval shall not be unreasonably conditioned, delayed or withheld, an amended Master Development Plan, including amendments addressing a Phase-Specific Development Plan or some particular element thereof, such as the Master Development Schedule, or Master Development Budget,
provided that such amendments do not substantially alter the total number of units in any Development Phase.

ARTICLE 3.
GENERAL DUTIES OF PARTIES

Section 3.1 General Developer Obligations. In addition to obligations stated elsewhere in this Agreement, the Developer shall have the following duties and responsibilities:

(A) Affiliates. All obligations of the Developer stated herein shall include, without explicit mention, its obligation to cause any Affiliate to meet the same obligations with respect to matters in which the Affiliate is involved for the Development. The Parties acknowledge and agree that (i) the Authority has selected the Developer through a competitive process and is relying on the Developer hereunder to complete or be responsible for the completion of all Development Phases; and (ii) the Developer’s responsibility to the Authority include: (a) implementing each Development Component, or (b) causing Affiliates approved by the Authority to implement a Development Component.

(B) Compliance with Agreements. Developer shall develop and construct the Development in accordance with the requirements of this Agreement, the applicable Authority Closing Documents and all Applicable Requirements. The Developer shall perform and complete its financing and development obligations hereunder with respect to all Development Components as identified in the Master Development Plan and Master Development Budget.

(C) Master Development Schedule. Developer shall use best efforts to complete all tasks shown on the Master Development Schedule by the date shown on the Master Development Schedule, including the commencement and completion of construction of each Development Phase, as set forth in each Phase Specific Development Plan and DDA.

(D) Financing. Developer shall have primary responsibility for seeking, structuring and, when (i) Developer is the borrower, executing binding commitments, or (ii) an Affiliate or an Owner is the borrower, causing the execution of binding commitments, for all construction and permanent financing, including any public funding, needed for each Development Phase, as shown in each Phase-Specific Development Plan, with assistance from the Authority as set forth in Section 3.2, and shall prepare or negotiate appropriate documentation to close such financing or obtain such funding. All financing placed on the Property shall be subject to the review and approval of the Authority. Developer will actively seek financing from a variety of available sources, including, but not limited to, private and conventional loans, Federal and State Low Income Housing Tax Credits, the Federal and State Rental Housing Trust Fund, the State Dwelling Unit Revolving Fund, TOD funds, Federal Home Loan Bank AHP funds, New Market Tax Credits, City and County of Honolulu funds, including Community Development Block Grant funds, public and private grants and other housing, community and economic development funding sources, as available. The Developer shall facilitate any additional levels of environmental review including, but not limited to, 24 CFR 58, the National Environmental Protection Act and the National Historic Preservation Act, to the extent required by the use of federal funds for a Development Phase. As required under the RFQ, the Developer’s obligations under this Section
3.1(D) shall include the Administrative Office Component; provided, however, if the Developer pursues funding sources appropriate for the Administrative Office Component that maximize private funding to minimize the need for public resources, the Authority shall cooperate in good faith to provide reasonable gap financing for the Administrative Office Component. The Developer and the Authority shall cooperate to structure the Administrative Office Component to maximize private funding and minimize the use of public resources and Authority gap financing.

(E) **Land Use Entitlements, Permits and Approvals.** Developer shall seek to obtain, with assistance from the Authority as reasonably requested, all necessary and appropriate land use entitlements and approvals, including, but not limited to, all zoning, special management area, submerged lands (as needed), and other approvals, permits and entitlements from the United States of America (including the Army Corps of Engineers, as needed), State (including the State Legislature) and City so as to enable Developer to develop and use the Property in accordance with the Master Development Plan and as necessary to comply with the Master Development Schedule (collectively, the "Land Use Entitlements"). Following the receipt of the Land Use Entitlements, Developer shall be responsible for obtaining, with assistance from the Authority as reasonably requested, all approvals necessary to complete, and for completing, the subdivision of the Property as needed for the Development. The cost of the Land Use Entitlements described in this Section are included in Exhibit G and shall be a Shared Cost between and reimbursed equally to the Developer and the Authority as specified in Section 6.2.

(F) **Employees, Agents and Contractors.** Subject to the provisions of this Section, Developer shall be responsible for the selection, hiring, contracting with, directing, and discharging of all employees, agents, consultants and Contractors whom Developer utilizes in accomplishing its duties hereunder. Developer shall use reasonable care and due diligence to select qualified, competent and trustworthy entities and individuals for such purposes. The Authority shall have the right to approve or disapprove all Contractors and General Contractors pursuant to written procurement procedures submitted by the Developer for Authority review and approval.

(1) The Authority expressly approves all Contractors listed on Exhibit J and is deems to have approved any contracts between the Developer and such Contractors to the extent such contract, or part of a contract, was for master planning or EIS-related work funded by the Developer as shown on Exhibit F. Additional Contractors and General Contractors not listed on Exhibit J must be procured by a competitive means using such approved procurement procedures and contracts, or parts of contracts, for work not shown on Exhibit F are subject to the approval of the Authority under Section 3.1(F)(2).

(2) Prior to retaining any Contractor (including any Architect or any subcontractor) or the General Contractor (including any sub-general contractor, whether or not listed on Exhibit J), subject to the provisions of Section 7.2, the Developer shall submit a draft proposal or contract (including, without limitation, a scope of work, a breakdown of labor and materials and a work plan) for such entity to the Authority for review and approval. The Authority shall have the right to require the Developer to remove any Contractor or General Contractor retained by Developer for any Development Phase that defaults under its contract.

(3) In no event shall Developer contract with any party which has been...
debarred or suspended pursuant to Federal, State or local law. All contracts entered into by the
Developer with third parties shall (i) contain all standard provisions required by the State of Hawaii
General Conditions attached hereto as Exhibit I; (ii) expressly require the assignment of Work
Product to the Authority in the event this Agreement is terminated in accordance with Article 13,
Article 14 or Article 15, substantially in the form set forth in Exhibit J-I, as may be modified by
mutual agreement of the Parties; (iii) identify the Authority as a third party beneficiary; (iv) permit
the Authority to use and rely on the Work Product produced under such contracts and (v) otherwise
be consistent with the requirements of this Agreement. The Authority shall retain the right to
remove any consultant that defaults under its contract.

(G) Selection Process for Lenders and Tax Credit Investors.

(1) The Developer shall solicit and select construction and permanent
lenders and Investors for each Development Phase as provided in this Section. A minimum of three
Investor and lender proposals must be received for each Development Phase. The Authority
shall have the right to approve or disapprove the lender(s) and the Investor(s) for each
Development Phase, which consent shall not be unreasonably withheld or conditioned. If an entity
related to the Developer intends to bid on the Investor or lender roles, the responses from such
parties shall be addressed to the Authority to maintain a fair and competitive playing field. In the
event a Development Phase includes multiple Investors, the Developer shall seek substantially
similar terms from each Investor. For example, and without limitation, if a Development Phase
includes 9% and 4% LIHTC, the Investors for such Development Phase shall be solicited and
admitted into the Owners on substantially similar terms.

(2) Subject to the provisions of Section 3.1(G)(1), the solicitation
process shall be as described in this Section 3.1(G)(2). The Authority and Developer shall agree
on the final terms to be included in each solicitation request prior to its issuance and will jointly
compile a list of all Investors and lenders to which the solicitation will be sent. The Developer
agrees to structure and conduct the solicitation in a manner that will best promote full and open
competition and no terms shall be included in the solicitation that have the effect of potentially
limiting such full and open competition (e.g. no respondent shall be granted a right to review and
match another respondent’s terms, Investor and lender guaranty parameters shall be standard and
customary, etc.). After receipt of the debt and equity proposals, Developer shall provide full copies
of such proposals to the Authority along with an analysis of the proposals and a recommendation
regarding the best debt and equity proposals. The Developer will negotiate with potential Investors
and lenders in order to maximize the amount of equity the potential Investor will provide to the
Development, while also considering, among other things, the timing of the equity payments, the
level of reserves, net worth, liquidity, stabilization requirements (including timeframes and debt
service coverage ratio test parameters) and guarantee requirements. The Developer shall not select
an Investor or lender which seeks to impose guaranty or other obligations on the Authority without
the Authority’s written consent. The Authority shall have the right to comment on any draft letter
of intent and to participate in negotiations directly with any potential lender or Investor. The
Developer shall forward copies of all material written communication related to any lender or
Investor solicitation to the Authority, and the Developer shall consult with the Authority prior to
responding to such communications. For purposes of the preceding sentence, for example and not
limitation, material written communication shall (i) include: requests for qualifications, requests

[D0736702 DOCX / 18 DC129-104] 14
for proposal, solicitations, offers, term sheets, commitment letters, letters of intent, responses to
any of the foregoing and similar documentation and (ii) exclude: routine correspondence, emails,
daily communications and similar limited communications.

(H) **Information: Hearings.** Developer shall, on an ongoing and timely basis,
advise the Authority as to the status of the processing of all applications necessary to obtain all
governmental approvals required in accordance with this Agreement and all Applicable
Requirements. Developer shall give the Authority ten (10) business days prior notice of any
hearings or other meetings with any approving authority, including, without limitation, Federal,
State, City or County of Honolulu office, agency, department, council, board, committee,
subcommittee or legislator, or any public or private utility, regarding matters described in this
Agreement, or if Developer shall receive less notice, a reasonable amount of advance notice to
enable the Authority to attend such hearings. If the Developer is involved in the scheduling of
hearings and meetings described herein, the Developer shall permit the Authority to participate in
such scheduling. Developer shall provide the Authority within ten (10) business days after a
written request thereof with all information with respect to the Development Components
reasonably requested by the Authority.

(I) **Applications.** Developer shall keep the Authority informed, and consult
with the Authority concerning the development of all applications for government assistance and
public or private financing for all Development Phases. Consultation shall occur sufficiently early
such that meaningful input is feasible before deadlines become imminent. Developer shall give the
Authority ten (10) days prior notice of any meetings with any prospective lenders or Investors.
Developer will submit such applications to the Authority for review not less than ten (10) business
days prior to submission and will provide the Authority with one (1) copy and the Authority’s
financial adviser/consultant with one (1) copy of all formal submissions, with such attachments as
may be required for review by the Authority or the Authority’s financial adviser/consultant.

(J) **Cooperation and Skill.** Developer recognizes the relationship of trust and
confidence established between it and the Authority by this Agreement and agrees to (i) keep itself
and the Authority fully informed of the progress of the Development, (ii) consult and cooperate
fully with the Authority (and for this purpose the Authority shall include the Authority’s
representatives) in furthering the interest of the Authority in the Development as set forth in the
Preliminary Master Development Plan and Master Development Plan, and (iii) furnish its best skill
and judgment in the accomplishment of the Development. In addition, the Developer and Authority
shall cooperate to develop, as set forth in the DDA, methods that allow for capacity building
opportunities for the Authority staff during the predevelopment, construction, implementation and
management and operation of each Development Phase. Authority shall participate in the
scheduling of and be allowed to attend any meetings with design, planning, engineering, traffic or
utility consultants or advisors, and City, State or County of Honolulu agency officials.

(K) **Additional Approvals.** Developer, in consultation with the Authority, shall
be responsible for and shall prepare for execution by the Authority, as needed, all required
applications, reports, documents or other materials that any public agency may require for
Developer to obtain permits, approvals and the like for the Development. All such applications
and materials shall be provided to the Authority for review not less than ten (10) business days
before any submission deadline.

(L) Community Engagement. In accordance with Recital D of this Agreement, the Developer, in collaboration with the Authority, will actively engage community and neighborhood associations, City Council Members, legislators, Native Hawaiian Organizations and other interested parties during the master planning process and throughout the development of all of the Development Phases through regular meetings as necessary, with translators and other assistive services, to provide updates on the Development.

Section 3.2 General Authority Obligations. In addition to obligations stated elsewhere in this Agreement, the Authority shall have the following duties and responsibilities.

(A) Project-Based Vouchers. The Authority, in its sole discretion and subject to availability and any applicable HUD approvals and regulations, may provide Section 8 Project-Based Vouchers (“PBV”) to a Housing Development Component. Any allocation of PBV shall require the Developer to be the successful offeror in response to a competitive request for proposals, which complies with all applicable HUD requirements.

(B) Authority’s Financial Assistance.

(1) The Authority in its discretion may provide unrestricted nonfederal funds for any Development Phase; provided, the Developer has represented to the Authority that it is using ultimate best efforts to structure the financing for the Development without such Authority funding. Notwithstanding anything to the contrary in this Agreement, any federal funds provided for a Development Phase may require additional levels of environmental review including, but not limited to, 24 CFR 58, the National Environmental Protection Act and the National Historic Preservation Act.

(2) The Authority shall use good faith efforts to assist in securing State funding necessary to fund development costs in accordance with the Master Development Budget and the Authority-approved budget for each Development Phase. To the extent of available funds and subject to all HUD requirements and Applicable Requirements, the Authority will assist the Development by providing gap funding commitments for LIHTC or other funding applications for each Development Phase the Authority agrees to fund. To the extent the Authority or the State provides gap financing for the Development, the Authority and the Developer shall negotiate and enter into loan documents to evidence such funds, including, but not limited to, predevelopment loan and construction/permanent loan agreements, promissory notes, regulatory agreements, leasehold mortgages, security and financing agreements and related documents, which loans shall be paid, subject to Applicable Requirements, out of cash flow from the Development in accordance with Section 6.6.

(3) Any and all obligations of the Authority under this Agreement are subject to the availability and allotment of State and/or federal funds, if any. Authority loan funds may be used to fund the Housing Development Components, Commercial Development Components or Developer overhead costs with the prior written consent of the Authority, subject to all Applicable Requirements.
(4) The use of Authority or State funds shall (i) be in compliance with the HUD Safe Harbor Guidelines (regardless of whether HUD restricted funds are used for the Development), (ii) not pay developer overhead advances and (iii) be subject to approval of the State Legislature and Authority Board, as required.

(C) Authority Approvals. Notwithstanding anything to the contrary herein, whenever this Agreement calls for or permits the approval, consent, authorization or waiver of the Authority, the written approval, consent, authorization, or waiver of the Executive Director shall constitute the approval, consent, authorization or waiver of the Authority without further action of the Authority Board; provided, however, that the Executive Director may determine that further Authority Board authorization is required before such approval, consent, authorization or waiver may be given. In any request for approval from the Developer, the Executive Director shall respond within ten (10) business days by: (a) approving the request; (b) disapproving the request; (c) informing the Developer that the request will require Authority Board approval at the next available Authority Board meeting; or (d) informing the Developer that the Executive Director needs additional time (not to exceed ten (10) business days) to respond with an approximate date of response. Unless otherwise stated herein, all approvals, consents, authorizations or waivers to be provided by the Executive Director shall not be unreasonably withheld, delayed or conditioned.

(D) Execution of Documents. Whenever statute or regulation or the successful implementation of this Agreement (including, without limitation, the Land Use Entitlements and subdivision described in Section 3.1(E) and HRS Chapter 201H requests to HHFDC) requires the Authority to take actions or execute documents consistent with the Authority’s powers and obligations under this Agreement, the Authority will do so, subject to Section 3.2(C) and provided that any documents prepared for the Authority’s execution shall be in form and substance acceptable to the Authority in its sole discretion.

Section 3.3 Mutual Obligations.

(A) External Communications. Developer shall not make any public statement or distribute any materials or publications regarding the Development without the prior written approval of the Authority, which approval shall not be unreasonably withheld, conditioned or delayed. The Developer shall provide the Authority with drafts of applications or proposals relating to the Development prepared for a government authority or other third party prior to submission and shall not submit such materials to a governmental authority or other third party without the approval of the Authority, which approval shall not be unreasonably withheld, conditioned or delayed.

(B) Information; Coordination. The Authority and Developer shall provide each other all necessary information relating to the Development. Applications and related correspondence for financing to private parties such as construction lender and Investors shall be subject to the review and approval of the Authority. The Authority and Developer will meet as frequently as may be necessary, in person or by telephone conference, and the Developer shall provide monthly written progress reports to the Authority.
Section 3.4  **Tax Exemption Processing.** The Developer or applicable Owner shall be responsible for obtaining any excise tax and/or processing exemptions from HHFDC for the Development; provided, however, the Authority will reasonably cooperate with the Developer (including, without limitation, the execution and recordation of documents reasonably requested by the Developer and acceptable to the Authority in its sole discretion) to apply to HHFDC to exercise all of the Authority’s authority under applicable State requirements to facilitate available excise tax and/or processing exemptions from HHFDC.

**ARTICLE 4.**
**DEVELOPER PREDEVELOPMENT COMPONENT**

Section 4.1  **Developer Responsibility and Management.** Developer shall diligently conduct the Predevelopment Component as described in this Article 4 in accordance with the Master Development Schedule.

Section 4.2  **Environmental Review.** Developer and the Authority acknowledge that the Environmental Review process was completed in accordance with Section 2.2.

Section 4.3  **Site Investigation; Title.** In accordance with the provisions of Section 7.5 and under the Right of Entry, and by the time set forth in the Master Development Schedule, Developer shall be responsible for conducting a thorough investigation and inspection of all aspects of the Property, including, but not limited to, with regard to suitability for development, Hazardous Materials, geotechnical conditions, surface and subsurface conditions. The Authority shall reasonably provide the Developer information, data and documents related to the Property in the Authority’s control. The Authority and the Developer shall be jointly responsible for Predevelopment Component costs as set forth in Section 6.1 and Section 6.2 and any required remediation shall be a development cost of the applicable Development Phase in accordance with the provisions of Section 7.4. In addition, by the time set forth in the Master Development Schedule, the Developer shall investigate title to the Property and notify the Authority of the existence of any title issues that may affect the development of the Property under this Agreement. The Authority and Developer shall cooperate in good faith to resolve any title issues for the Property.

Section 4.4  **Master Planning.** The Developer shall undertake the Development in accordance with the Master Development Plan and Master Development Schedule, subject to the Remaining Master Planning set forth at Exhibit E and the requirements of each Phase-Specific Development Plan and DDA. The Developer shall, with the cooperation of the Authority, develop the proforma and financial analysis in programming, both of which are subject to review and approval by the Authority. The Developer shall provide the Authority with electronic versions of its proforma financial analysis and assumptions used in such analysis, including but not limited to, the cash flow waterfall, fees from related parties to the Developer and expenses. In the Phase 1 Development Plan, Developer shall propose a commercially reasonable and feasible plan for interrelating the Development Phases, which shall address cost-sharing arrangements, and conditions, covenants and restrictions, reciprocal easement agreements and similar issues.

Section 4.5  **Phase 1 Activities.** The Parties acknowledge and agree that multiple activities related to the entire Development may be required to be conducted as part of Phase 1 of
the Development, including, but not limited to, the demolition of some or all of the existing buildings and improvements on the Property, the remediation of Hazardous Materials on the Property and the planning and/or construction of roads, streets, utility lines and conduits, sewers, and other site improvements (collectively, the “Phase I Activities”). The Phase I DDA shall (i) provide the Developer with a license and right to enter onto a Development Site prior to the lease of such Development Site for purposes of the Phase I Activities; (ii) describe the responsibilities that the Developer and the Authority will undertake in connection with the Phase I Activities; and (iii) include a Phase I Development Plan inclusive of the Phase I Activities consistent with this Agreement.

Section 4.6 Real Estate Tax Exemptions and Abatements. Prior to the Closing of a Development Phase, the Authority shall be responsible for the payment of any real property taxes, assessments or charges with respect to such Development Phase. Upon Closing of a Development Phase, the Developer shall be responsible for the payment of any real property taxes, assessments or charges with respect to such Development Phase or Development Site, or for obtaining, in accordance with local or State law, such real estate tax exemptions or abatements as may be available for such Development Site leased or otherwise conveyed to the Owner. The Authority may assist and shall cooperate with the Developer in obtaining such exemption or abatement.

ARTICLE 5.
DEVELOPMENT COMPONENTS

Section 5.1 Owner Entities. The Developer will implement the Housing Development Component, which will consist of up to three (3) separate mixed-income and/or affordable residential housing projects. The Developer will form separate Developer-controlled limited partnerships or limited liability companies, qualified to transact business in the State, to act as the Owners for each Development Phase. At its election, the Authority or a nonprofit affiliate of the Authority may be an administrative general partner/administrative member or special limited partner/member in the Owner for each Development Phase. General partner/managing member, administrative general partner/administrative member, special limited partner/member and Investor limited partner/member fees shall be no greater than customarily charged for similar LIHTC transactions.

Section 5.2 Closings Generally.

(A) The Authority and Owner shall execute such documents as may be necessary or required by the Master Development Plan, including but not limited to, a DDAs and/or Ground Leases, and conveyance, financing and security documents, as necessary to effectuate the requirements of this Agreement (all such documents to be referred to herein as “Authority Closing Documents”). Authority Closing Documents shall conform to the requirements normally imposed by public entities in undertaking participation in projects similar to the Development and shall be in form and content satisfactory to Developer’s and/or Owner’s counsel, the Authority’s counsel, other lenders’ counsel, and any other legally relevant parties.

(B) The Authority and Owner shall execute such documents as may be necessary to establish, as covenants running with the land, any use restrictions required by the
Authority or other governmental authority (including HHFDC and the City) in accordance with the Master Development Plan and any use restrictions required in connection with the use of tax-exempt bonds, the receipt of LIHTC, or the receipt of any other approved financing.

(C) The Developer and/or applicable Owner shall not place or permit a lien or other encumbrance on any Development Site, nor pledge any Development Site as collateral for any debts or financing without the consent of the Authority. Once a Closing has occurred with respect to a Development Phase, or Development Component thereof (each, a "Transferred Phase"), the Authority Closing Documents will govern the Parties’ obligations as to matters set forth therein and this Agreement shall be deemed terminated as to such Transferred Phase. In the event of any conflict between Authority Closing Documents and this Agreement, the provisions of the Authority Closing Documents shall govern.

Section 5.3 Land Development Component. The Authority shall exercise its rights and authority as the fee simple owner of the Property and use its best efforts to assist the Developer to accomplish any required Land Development Component work, including without limitation, the execution of all applications, requests, contracts, agreements, loan documents and other documents, and the participation in meetings and hearings. The Developer shall coordinate the planning, permitting and construction of the Land Development Component. To accomplish the subdivision, the Developer shall coordinate the planning and processing to (i) obtain final subdivision approval from the Department of Planning and Permitting of the City and County of Honolulu in accordance with all applicable laws or (ii) submit requests for HHFDC to exercise its power and authority under HRS 201H to effect said subdivision. All costs for the Land Development Component shall be Shared Costs as set forth in Section 6.2.

Section 5.4 Administrative Office Component. The Developer in its design and development of the Administrative Office Component shall include modern workplace design features that align with the intended use of the Administrative Office Component by Authority staff. The Developer shall, in consultation with the Authority, be responsible for analyzing how the Authority can maintain its duties during the development and construction period and implement the relocation of Authority staff. The Developer shall consider the needs of the Authority throughout development of the Administrative Office Component, and shall actively communicate with the Authority throughout the development process. The Developer shall submit a Phase-Specific Development Plan for the Administrative Office Component. Such Phase-Specific Development Plan will include the type of building that will be developed, the amount of space that will be created consistent with State of Hawaii Department of Accounting and General Services Space Computations Per Comptroller’s Memorandum NO. 2013-16 dated August 9, 2013, floor plans, layout, amenities and address integration with the other uses on the site, parking configuration and identify temporary office space and relocation for Authority’s operation during the development of the Administrative Office Component. Such Phase-Specific Development Plan shall also include, but not be limited to, a financing plan, lease terms, property management terms and terms of ownership of the building. The fee to the Developer for the Administrative Office Component shall not exceed eight percent (8%) of the total construction cost for the Administrative Office Component. The Authority shall not pay Developer overhead advances. The Developer in its design of the Administrative Office Component shall include any energy efficiency features and design features that promote sustainability and lower the ongoing operating expenses of the
Authority. The Developer shall seek and structure private and public funding sources to leverage scarce Authority and State of Hawaii resources to fund the development of Administrative Office Component.

Section 5.5 Long Term Affordability Requirements. The Authority and applicable Owner will record restrictive covenants, use restrictions or similar documents, requiring at least eight hundred (800) units in the Housing Development Components to remain affordable to low income seniors with incomes at or below eighty percent (80%) of area median income, which restriction may be recorded separately for each applicable Development Phase. One (1) unit per Development Phase may be an unrestricted manager unit which will be set forth in the applicable DDA, subject to lender and Investor requirements.

ARTICLE 6.
SPECIFIED BUSINESS TERMS

The following business terms shall apply to each Development Phase, as applicable:

Section 6.1 Master Planning Costs.

(A) The Developer funded one hundred percent (100%) of the master planning and Environmental Review costs in the amount specified on Exhibit F (the “Master Planning Costs”), as previously provided for under the Predevelopment Agreement.

(B) Subject to approval by the State Legislature and Authority Board, as and if required, and Applicable Requirements, within thirty (30) days of execution of this Agreement, the Authority shall reimburse the Developer for fifty percent (50%) of the Master Planning Costs. If reimbursement under this Section 6.1(B) requires approval by the State Legislature, the Authority shall (i) use its best efforts to obtain such approval no later than the end of the 2020 State Legislature session and (ii) reimburse Developer no later than September 1, 2020, provided the Authority has received funds for such reimbursement from the State.

(C) The Master Planning Costs funded by the Authority and Developer shall constitute advances by the Parties for the predevelopment of Phase I and the Authority and Developer shall be reimbursed for such advances at the Closing of Phase I. The conditions for such reimbursement shall be (i) that the lenders and Investors to Phase I approve of such reimbursement and (ii) that any financing gap for Phase I will be filled as of the Closing of Phase I.

Section 6.2 Predevelopment Costs. Except as provided in Section 6.1 and Exhibit F, the Authority and the Developer shall each be responsible for fifty percent (50%) of the predevelopment costs shown on Exhibit G (the “Shared Costs”). The Shared Costs shall be treated as predevelopment loans or advances to the Development from each Party, respectively (each, a “Predevelopment Loan”), and reimbursed to each Party as follows: (i) any Shared Costs expended before the Closing of Phase I shall be reimbursed to each Party at the Closing for Phase I and (ii) any Shared Costs for later Development Phases shall be reimbursed to each Party at the Closing for the respective Development Phase. The Authority’s Predevelopment Loans shall be secured by one hundred percent (100%) of the Work Product applicable to the subject Development Phase.
addition to each Party’s reimbursement for its Predevelopment Loans, each Party shall be entitled to receive reimbursement at Closing in the amount of its actual third party costs for the consultants, advisors, legal, and other related costs for the Development Phase, which amount shall be treated as a Predevelopment Loan from the applicable Party.

Section 6.3       Site Control & Ground Lease Provisions.

(A) Site Control. As required for funding applications, the Authority will provide the Developer or Owner with an option to lease the property for the applicable Development Site. The Authority will provide such option at a nominal cost, not to exceed Ten Dollars ($10) unless required by Applicable Requirements, to the Developer or Owner.

(B) Term. The term of each Ground Lease will be determined in the respective DDA for a period not less than seventy-five (75) years.

(C) Appraisals. Subject to the conditions set forth in this Agreement, the Authority will provide Ground Leases for individual Development Sites in exchange for ground lease payment(s) in accordance with Section 6.3(D). The Developer shall provide an appraisal for each Development Site prepared by an independent appraiser approved by the Authority to determine the unimproved land value. The cost of such appraisals and any updates thereto shall be a Shared Cost reimbursed as a Predevelopment Loan or advanced under Section 6.2.

(D) Lease Payments. The payment for each Ground Lease will be equal to the appraised value of the leasehold interest in the applicable Development Site as of Closing, which may be structured as (i) annual ground lease payments or (ii) a seller promissory note. Ground lease payments shall be payable annually to the Authority out of the Development Phase cash flow pursuant to Section 6.6. Any unpaid lease payments shall accrue interest.

(E) Income Level Restrictions. The use of the Housing Development Components shall be restricted to comply with income level restrictions, including without limitation restrictions required by LIHTC requirements ("Income Level Restrictions"), as set forth in the DDA for such Housing Development Component.

(F) Tenant Leases. The Owner may, without the consent of the Authority, enter into tenant leases to lease dwelling units of a Housing Development Component in accordance with the Income Level Restrictions;

(G) Financing. The Owner shall have the right, with the consent of the Authority, to mortgage its leasehold interest in a Development Site demised by a Ground Lease and its interest in the improvements to be located thereon, as security for the repayment of, and its obligations relating to, all loans, bonds, credit facilities and other financing for such Development Phase.

(H) Legal Compliance. The Ground Lease shall comply with HRS Chapter 171 applicable to residential leases by the Authority and shall be subject to the approval or consent of the Authority and other applicable governmental authorities.
Section 6.4 Guarantees. The Developer, an Affiliate or an Owner (or a Contractor) acceptable to lenders, Investors and the Authority, shall provide, with respect to each Development Phase, all guarantees required by such lenders or by Investors, including completion lease-up, operating deficit, and tax credit compliance guarantees, which entity shall also provide the Authority with one or more completion guarantees covering all construction and demolition activity for each Development Phase. Completion guarantees shall begin no later than Closing for each Development Phase and terminate no earlier than substantial completion. The Authority will not provide any guarantees. The Developer’s obligation to provide guarantees for any Development Component that the Developer, an Affiliate or an Owner does not control under a Ground Lease shall be limited to performance and completion guarantees.

Section 6.5 Developer Fee. To the extent supported by financing and allowable under applicable Federal, State and local requirements, HHFDC requirements and tax-exempt bond financing and LIHTC regulations, and subject to the approval of lenders and Investors to the applicable Development Phase, the developer fee for each Development Phase will be up to fifteen percent (15%) of total development costs, less approved reserves (such as operating costs including insurance and replacement) and less the developer fee itself. Such fee, including any deferred fee, shall be shared and distributed pari passu (fifty percent (50%) each to the Developer and the Authority). Milestones for payment of the developer fee for each Development Phase shall not result in payment greater or sooner than the following benchmarks: (i) fifty percent (50%) at Closing, (ii) twenty-five percent (25%) at construction completion and (iii) twenty-five percent (25%) at stabilization. The Developer will certify that, except for the fees paid to the General Contractor in accordance with Section 7.2, neither Developer nor any of its Affiliates will receive fees related to development and construction of the Development in addition to the above developer fee.

Section 6.6 Cash Flow and Capital Transactions.

(A) Cash Flow. For each Development Phase, the Authority and the Developer agree that they will use best efforts to negotiate a cash flow distribution with the Investor that approximates the following:

1. First, to the Investor in the amount of any unpaid LIHTC adjusters owed;
2. Second, to pay the asset management fee to the Investor;
3. Third, to repay any amounts then owed with respect to any loans provided by the Investor;
4. Fourth, to pay the asset management fee to the Developer controlled general partner/managing member of the Owner;
5. Fifth, to pay the asset management fee to the Authority or Authority controlled partner/member of the Owner;
(6) Sixth, to pay any deferred management fees to the management agent;

(7) Seventh, to repay any amounts then owed with respect to the deferred developer fee until paid in full;

(8) Of the remaining balance, (i) seventy-five percent (75%) shall be applied in the following priority: (a) first, to pay any ground lease payment or seller promissory note until paid in full; and (b) second to repay any State financing (including any Authority loans) until paid in full; and (ii) twenty-five percent (25%) shall be applied in the following priority: (x) first, to repay any amounts then owed with respect to any Developer loan until paid in full; (y) second, to repay any operating deficit loans; and (z) third, during the Compliance Period, to replenish any operating reserves and replacement reserves; and

(9) Of the remaining balance, (i) forty-five percent (45%) to the Developer controlled general partner/managing member of the Owner, (ii) forty-five percent (45%) to the Authority or Authority controlled partner/member of the Owner and (iii) ten percent (10%) to the Investor.

The Developer and Authority agree that the cash flow distribution for each Development Phase may be subject to the consent of the selected Investor, lenders, the State and HHFDC, but agree to work together cooperatively and in good faith to reflect the above distribution in the limited partnership or operating agreement of each Owner.

(B) Capital Transactions. For purposes of this Section 6.6(B), “Capital Transaction” means any transaction out of the ordinary course of an Owner’s business which is capital in nature, including without limitation, the disposition, whether by sale, casualty or condemnation of a Development Phase or Development Component, proceeds received under the a title policy pursuant a title insurance claim, refinancing or similar event of any part or all of a Development Phase. The Developer, Affiliates and Owner shall not receive proceeds from any Capital Transaction for a Development Phase or Development Component unless all Authority loans promissory notes are fully repaid for such Development Phase or Development Component.

Section 6.7 Cost Savings. Any division of construction cost savings negotiated with the General Contractor shall be set forth in the DDA and applied in the following priority (A) first, to pay the unpaid costs of the Development, including any deferred developer fee to be paid in accordance with Section 6.5, (B) second, to repay any Authority loan or promissory note, and (C) third, distributed fifty percent (50%) to the Authority and fifty percent (50%) to the Developer in a manner permissible under any LIHTC, lender and tax-exempt bond requirements.

ARTICLE 7.
DESIGN/CONSTRUCTION/CONVEYANCE

Section 7.1 Plans and Schedules. The following provisions shall apply to each
Development Phase and shall be addressed in each DDA. The Developer shall manage the costs associated with the design and construction of the Development so that such costs remain within the Master Development Budget and the budget for each Development Phase, as the same may be amended. The Developer shall not deviate from the residential income mix and retail/commercial plan set forth in the applicable DDA without the approval of the Authority.

(A) **Schematic Design.** Developer, in consultation with the Authority, shall engage and work with the Architect during the schematic design phase. The Developer shall fully inform the Authority of its approach to the design and construction of the Development. Based on the Master Development Schedule and program and construction budget requirements mutually agreed on by Authority and Developer, Developer shall have the Architect prepare schematic design documents consisting of drawings and other documents illustrating the scale and relationship of all Development Components (the “**Schematic Design Documents**”). The Developer shall provide fifty percent (50%) and one hundred percent (100%) Schematic Design Documents to the Authority for approval.

(B) **Design Development.** Based on the approved Schematic Design Documents, Developer shall direct the Architect to prepare, for approval by Developer and Authority, design development documents consisting of drawings, outline specifications and other documents to fix and describe the size and character of the development as to architectural, and basic structural systems, materials and such other elements as may be appropriate (the “**Design Development Documents**”). The preparation and approval of Design Development Documents and construction documents shall be addressed in each DDA. Each DDA shall require Authority review and approval of (i) fifty percent (50%) and one hundred percent (100%) Design Development Documents and (ii) ninety percent (90%) Design Development Documents and construction documents not less than (10) business days prior to submission for building permits.

Section 7.2 **General Construction Services.** Developer will enter into a Construction Contract with the General Contractor subject to the requirements of this Agreement. In order to ensure cost efficiency, the Authority may conduct an independent cost estimate. The cost of such estimate shall be paid by the Authority and repaid as a Predevelopment Loan at the Closing of the applicable Development Phase. Fees payable to the General Contractor shall be in compliance with the Phase-Specific Development Plan approved by the Authority. The Construction Contract shall be subject to the approval of the Authority and shall require the General Contractor to provide, at a minimum: (a) insurance as provided in Article 12 herein; (b) performance and payment bond (or alternative security) which is satisfactory to all lenders, including the Authority; (c) a warranty of good title to materials, equipment and supplies to be incorporated in the work; (d) a warranty that the work performed under the Construction Contract conforms with the construction documents and is free of any defect in equipment, material or workmanship performed by the General Contractor or any subcontractor or supplier in any tier; and (e) a warranty that all material, equipment and supplies are new, of first quality and suitable for the purposes for which they are used.

Section 7.3 **Conduct of Work.**

(A) Subject to the terms and conditions of this Agreement, including, but not
limited to Section 4.4: (i) Developer shall contract, supervise and discharge the Architect and the contractors; (ii) Developer shall prepare, negotiate and administer all agreements with the Architect and the contractors; and (iii) the Architect and the contractors shall be under the control and direction of Developer. Developer shall use reasonable care and due diligence to select qualified and competent entities and individuals for such purposes.

(B) The work will comply with all applicable Federal, State and local fair housing accessibility requirements.

(C) Developer shall comply with all applicable labor standards and prevailing wage laws, as applicable.

Section 7.4 Hazardous Materials.

(A) Defined of Release and Disposal.

(1) "Release" means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into the environment, including the abandonment or discarding of barrels, containers, and other closed receptacles containing any hazardous substance or pollutant or contaminant.

(2) "Disposal" means the discharge, deposit, injection, dumping, spilling, leaking, or placing of any solid waste or hazardous waste into or on any land or water so that such solid waste or hazardous waste or any constituent thereof may enter the environment or be emitted into the air or discharged into any waters, including ground waters.

(B) Certain Covenants and Agreements. The Developer hereby covenants and agrees that during the Term:

(1) The Developer shall not knowingly permit the Property or any portion thereof to be a site for the use, generation, treatment, manufacture, storage, disposal or transportation of Hazardous Materials or otherwise knowingly permit its agents, Contractors, employees or any other party to bring Hazardous Materials in, on or under the Property (except types and quantities consistent with ordinary household or commercial rental properties, e.g. window cleaner);

(2) The Developer shall keep and maintain the Property and each portion thereof and any actions or activities conducted thereon in compliance with, and shall not cause or permit the Property or any portion thereof to be in violation of, any Environmental Law;

(3) Upon receiving actual knowledge of any activities or conditions prohibited by subsections (B)(1) or (B)(2) of this Section 7.4, the Developer shall immediately advise the Authority in writing of: (a) such condition and activity and the actions Developer is taking to correct them so as to bring the Property and activities thereon into compliance with the provisions of subsections (B)(1) or (B)(2) of this Section 7.4; (b) any and all enforcement, cleanup, removal or other governmental or regulatory actions, orders, and/or requests, relating to the
Property, activities thereon, or portions thereof, whether completed or threatened; (c) any and all claims made or threatened by any third party against the Developer or the Development relating to damage, contribution, cost recovery, compensation, loss or injury resulting from any Hazardous Materials (the matters set forth in the foregoing clauses (a) through (c) are hereinafter referred to as "Hazardous Materials Claims"); or (d) the presence of any Hazardous Materials in, on or under the Property in such conditions or quantities which require reporting to a government agency, and any Release, threatened Release, Disposal or threatened Disposal, of any Hazardous Substance in, on, under, or about the Property;

(4) If the Authority reasonably determines that the Developer is not adequately responding to a Hazardous Materials Claim or any condition or activity described in this Section 7.4, the Authority shall have the right, but not the obligation, to initiate or join and participate in, as a party if it so elects, any legal proceedings or actions in connection with any such Hazardous Materials Claim, condition or activity and to have its reasonable attorney's, expert witness and consultant fees, as well as all costs and expenses, paid by the Developer.

(5) Without the Authority’s prior written consent, which shall not be unreasonably withheld or delayed, the Developer shall not take any action in response to a Release, threatened Release, Disposal, or threatened Disposal, in, on, under, or about the Property (other than in emergency situations or as required by governmental agencies having jurisdiction), nor enter into any settlement agreement, consent decree, or other compromise in respect to any Hazardous Materials Claims, conditions or activities.

(C) No Limitation. Except as otherwise provided herein, the Developer hereby acknowledges and agrees that the Developer’s duties, obligations and liabilities under this Agreement are in no way limited or otherwise affected by any information the Authority may have concerning the Development and/or the presence on the Property of any Hazardous Materials, whether the Authority obtained such information from the Developer or from its own investigations, except if and to the extent the Authority shall have intentionally withheld from the Developer such information in its possession.

(D) Developer Indemnity. Without limiting the generality of the indemnification set forth in Article 12, the Developer hereby agrees to indemnify, protect, hold harmless and defend (by counsel reasonably satisfactory to the Authority) the Authority, its board members, officers, agents, successors, assigns and employees (the “Indemnities”) from and against any and all claims, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, judgments, remedial action requirements, enforcement actions of any kind, and all costs and expenses (including, but not limited to, reasonable attorney’s, expert witness, and consultant fees, and all costs and expenses) incurred in connection with or arising directly or indirectly, in whole or in part, out of:

(1) the failure of the Developer or any other person or entity under the control of the Developer on or after conveyance (or prior to conveyance if due to the negligence or willful misconduct of the Developer or any person under the control of Developer to the extent resulting in material harm to an Indemnitee), to comply with any Environmental Law relating in any way whatsoever to the handling, treatment, presence, removal, storage, decontamination,
cleanup, transportation or disposal of Hazardous Materials into, on, under or from the Property;

(2) any Release, threatened Release, Disposal or threatened Disposal of any Hazardous Materials into, on, under, about or from the Property, arising on or after conveyance, or the presence in, on, or under the Property of any Hazardous Materials that occurs (i) on the Property after conveyance, (ii) prior to conveyance if due to the negligence or willful misconduct of the Developer or any person under the control of Developer to the extent resulting in material harm to an Indemnitee or (iii) Developer’s contribution to or exacerbation of any Release, threatened Release, Disposal, or threatened Disposal of any Hazardous Materials even though such Release, threatened Release, Disposal, or threatened Disposal occurred in, on, under, or about the Property prior to conveyance; or

(3) any activity or omission of activity carried on or undertaken on or off the Property, on or after conveyance (or prior to conveyance if due to the negligence or willful misconduct of the Developer or any Affiliates, employees, agents, contractors or subcontractors of the Developer to the extent resulting in material harm to an Indemnitee), and whether by the Developer or any Affiliates, employees, agents, contractors or subcontractors of the Developer or any successor in title that is related to the Developer occupying or present on the Property, in connection with the handling, treatment, removal, storage, decontamination, cleanup, transport or disposal of any Hazardous Materials located or present on or under the Property. The Developer’s indemnity obligations as they pertain to activities occurring off the Property shall only extend to activities performed by or arising from activities performed by the Developer or any Affiliates, employees, agents, contractors or subcontractors of the Developer.

The foregoing indemnity shall further apply to any residual contamination on or under the Property affecting any natural resources, and to any contamination of any property or natural resources arising in connection with the generation, use, handling, treatment, storage, transport or disposal of any Hazardous Materials in, on, about or under the Property, and irrespective of whether any of such activities were or will be undertaken in accordance with Environmental Law. The provisions of this subsection shall survive expiration of the Term or other termination of this Agreement, and shall remain in full force and effect. This indemnity obligation shall not extend to any claim shown to arise solely from the Authority’s negligence or willful misconduct.

(E) Pre-Existing Conditions. Except as otherwise expressly stated in this Section 7.4, the Developer shall have no liability and shall not indemnify the Authority or any Indemnitee for, and the Authority shall pay for the remediation of, any Hazardous Materials or other adverse environmental conditions that exist on the Development Site prior to the date of Closing and were not identified prior to Closing by a Phase One or a component Phase Two environmental review or any other environmental report (collectively, “Environmental Reports”). However, the Developer shall advise the Authority pursuant to Section 7.4(B)(3) and cooperate in good faith to coordinate any required remediation work.

(F) Determining Responsibility. The remediation of any Hazardous Materials or environmental conditions disclosed in Environmental Reports, and costs related thereto, shall be incorporated in the applicable Phase-Specific Development Plan and paid for as a development cost. If any Hazardous Materials are discovered on a Development Site, except as disclosed in
Environmental Reports, then the Authority and the Developer may (i) negotiate mutually acceptable additional terms, conditions and fees for remediation of such Hazardous Materials, and (ii) provide for the remediation of such Hazardous Materials in the Phase-Specific Development Plan as a development cost. Notwithstanding the forgoing, each Party shall retain sole responsibility, including for all associated costs, to remediate any Hazardous Materials discovered on the Property that result from the negligence, act or omission of such Party, its affiliates, employees, agents or contractors (and in the case of the Developer, its Affiliates, the Owner, General Contractors or Contractors). The Parties shall provide an appropriate extension to the Master Development Schedule if any remediation is required.

Section 7.5 As-Is Conveyance.

(A) Any Ground Lease shall be made “AS IS,” with no warranties or representations by the Authority concerning the condition of the Development Site thereunder or any improvements. Developer hereby agrees and acknowledges that subject to the preceding sentence and except in the event of any fraud, misrepresentation, or withholding of information by Authority: (i) neither Authority, nor anyone acting for or on behalf of Authority, has made any representation, statement, warranty or promise to Developer concerning the development potential or condition of a Development Site; (ii) in entering into this Agreement, Developer has not relied on any representation, statement or warranty of Authority, or anyone acting for or on behalf of Authority, other than as may expressly be contained in writing in this Agreement; (iii) all matters concerning a Development Site have been or shall be independently verified by Developer and that Developer shall purchase or lease the Development Site based on Developer’s own prior examination thereof; and (iv) THAT DEVELOPER IS LEASING THE DEVELOPMENT SITE, AS APPLICABLE, IN AN “AS IS” PHYSICAL CONDITION AND IN AN “AS IS” STATE OF REPAIR.

(B) General Release. Except as expressly provide in this Agreement and the Closing Documents, Developer and its owners, employees, agents, assigns and successors agree that upon the Closing of a Development Phase, Developer shall be deemed conclusively to have released and discharged Authority and its agents, employees, trustees, assigns and successors, from any and all damages, losses, demands, claims, debts, liabilities, obligations, causes of action and rights, whether known or unknown, by Developer regarding conveyance of the applicable Development Site, including but not limited to the environmental condition of such Development Site.

ARTICLE 8.
MANAGEMENT AND OPERATION OF DEVELOPMENT COMPONENTS

Section 8.1 Management of Owner. The managing general partner of each Owner shall be controlled by Developer or its Affiliate and shall exercise day-to-day authority over the routine operations of the Owner.

Section 8.2 Reserved.

Section 8.3 Property Management.
(A) The Owner’s selection of a management agent, and the terms of the management agreement and management plan for each Development Phase, shall be subject to the review and approval of the Authority. The Authority agrees that the initial management agent will be Foundation Property Management. The Authority shall have the right, subject to lender and Investor approval, to require that the Owner entity remove the property manager for material violations of the management agreement, subject to notice and opportunity to cure. The Developer shall propose a replacement property manager to the applicable lenders, Investors and the Authority for approval. The annual operating budget for each Development Phase shall be subject to the review and approval of the Authority, with annual increases not to exceed the annual Consumer’s Price Index, unless otherwise approved in writing by the Authority. Replacement and operating reserves will be subject to the requirements of lenders and Investors in the Development Phase and subject to the approval of the Authority.

(B) The management agent shall receive a base management fee in accordance with any HHFDC requirements not to exceed five percent (5%) of gross rents collected. In addition, the Authority shall be entitled to one percent (1%) of gross rental collections as an asset management fee pursuant to an asset management agreement between the Authority and the Owner of each Development Phase.

Section 8.4 Purchase Option and Right of First Refusal.

(A) Definition of Compliance Period. “Compliance Period” means, pursuant to Section 42(i) of the Internal Revenue Code of 1986, as amended (the “Code”), the period of fifteen (15) taxable years beginning with the first taxable year of the low income housing tax credit period set forth in Section 42 of the Code.

(B) Purchase Option. At Closing, each Owner will provide the Authority or Authority’s affiliate with an option to purchase (the “Option”), after the Compliance Period, either the Development Phase or all of the interests in the Owner. The aggregate price to be paid by the Authority or its affiliate shall be negotiated in connection with the Authority’s approval of an Investor and shall be no less than the greater of the Right of First Refusal (as herein after defined) price or the fair market value of such property or interests, unless Section 42 of the Code is amended to permit the Option price to be the same as the Right of First Refusal price. The Authority, in its sole discretion, may elect not to purchase the property and to grant the Developer rights to purchase the Development Phase under the same Option terms, subject to applicable LIHTC requirements.

(C) Right of First Refusal. The Authority Closing Documents (or other applicable Closing documents) shall provide that no Owner will sell its property, and each member or partner of the Owner will not sell its respective interests in the Owner, to any person after the Compliance Period, without providing a right of first refusal (the “Right of First Refusal”) in regard to the same to the Authority or its affiliates. The aggregate price to be paid by the Authority or any Authority affiliate for such property or interests shall be negotiated in connection with the Authority’s approval of an Investor and shall be no less than the minimum amount required to be paid under Section 42(i)(7)(b) of the Code. The Authority, in its sole discretion, may elect not to
purchase the property and to grant the Developer rights to purchase the Development Phase under the same Right of First Refusal terms, subject to applicable LIHTC requirements.

(D) The Authority shall have an Option and Right of First Refusal to acquire any Development Phase or interests in an Owner for any Development Phase not financed with LIHTC equity. The terms of such Option and Right of First Refusal shall be negotiated between the Parties prior to and as a condition precedent to Closing. The Option and Right of First Refusal under this Section 8.4 shall be set forth in the Authority Closing Documents (or other applicable Closing documents) and recorded in the appropriate land records. If a Development Phase includes multiple Investors, the Developer and Authority shall cooperate to negotiate substantially similar Option and Right of First Refusal terms with each Investor.

ARTICLE 9.
TRANSFERS

Section 9.1 Definition of Transfer. As used in this Article, the term “Transfer” shall mean:

(A) Any total or partial sale, assignment or conveyance, or any trust or power, or any transfer in any other mode or form, of or with respect to this Agreement or any aspect of the Development or any part thereof or any interest therein or any contract or agreement to do any of the same; or

(B) Any total or partial sale, assignment or conveyance, or any trust or power, or any transfer in any other mode or form, of or with respect to more than ten percent (10%) controlling interest in the Developer, including, but not limited to, any transfer of more than ten percent (10%) controlling interest of a partner or a member of the Developer, or any contract or agreement to do any of the same; or

(C) Any merger, consolidation, sale or lease of all or substantially all of the assets of Developer.

Section 9.2 Purpose of Restrictions on Transfer. The Developer recognizes that the qualifications and identity of Developer, including Affiliates, are of particular concern to the Authority, in view of:

(A) The importance of the Development to the general welfare of the community;

(B) The financial assistance and other public aids that have been made available by law and by the government for the purpose of making the Development possible;

(C) The reliance by the Authority upon the unique qualifications and ability of the Developer to serve as the catalyst for the Development and, after Closing, upon the continuing interest which the Developer or Owner will have in the Property to assure the quality of the use, operation and maintenance deemed critical by the Authority for the Development;
(D) The fact that the Property is not to be acquired or used for speculation, but only for development and operation by the Developer or an Owner in accordance with the Agreement;

(E) The importance to the Authority and the community of the standards of use, operation and maintenance of the Property.

The Developer further recognizes that it is because of such qualifications and identity that the Authority is entering into this Agreement with the Developer and that Transfers are permitted only as provided in this Agreement.

Section 9.3 Prohibited Transfers. Except as expressly permitted in this Agreement, the Developer represents and agrees that the Developer has not made or created, and will not make or create or suffer to be made or created, any Transfer, either voluntarily or by operation of law without the prior written approval of the Authority pursuant to this Agreement. Any Transfer made in contravention of this Article 9 shall be void and shall be deemed to be a default under this Agreement whether or not the Developer knew of or participated in such Transfer unless such Transfer is rescinded by the Developer within thirty (30) days following written notice by the Authority to the Developer to rescind such Transfer.

Section 9.4 Transfers with Authority Consent. The Authority may, in its sole discretion, approve in writing other Transfers as requested by the Developer. In connection with such request, there shall be submitted to the Authority for review all instruments and other legal documents proposed to affect any such Transfer. If a requested Transfer is approved by the Authority such approval shall be indicated to the Developer in writing. Such approval shall be granted or denied by the Authority within thirty (30) days of receipt by the Authority of Developer’s request for approval of a Transfer. Consent to Transfers requested by Investors, such as the removal of a general partner for default under a limited partnership agreement, shall not be unreasonably withheld, and shall be provided for with respect to the each Development Phase in the documentation.

ARTICLE 10.
EQUAL OPPORTUNITY/CONTRACTING/SECTION 3

Section 10.1 Non-Discrimination. Each of the Developer and the Authority covenants by and for itself and its successors and assigns that there shall be no discrimination against or segregation of a person or of a group of persons on account of race, color, religion, creed, sex, sexual orientation, marital status, ancestry or national origin in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property or of the Development, nor shall the Developer, the Authority or any person claiming under or through the Developer or the Authority establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessee or vendees of the Property or of the Development.

ARTICLE 11.
REQUIREMENTS
Section 11.1  **Certain Requirements.** Developer and the Authority will comply with all applicable Federal, State and local laws, rules and regulations, as the same may be amended from time to time, all of which shall bind Developer and the Authority as well as its Contractors and subcontractors.

Section 11.2  **Access to Records.**

(A)  **Recordkeeping; Access.** Developer's books and records pertaining to its performance under this Agreement shall be kept in accordance with generally accepted accounting principles and as required by the Applicable Requirements, and shall be retained for at least three (3) years after the Authority makes final payment to Developer under this Agreement and all other pending matters are closed, including without limitation, matters described in Section 11.2(D).

(B)  **Audit.** Authority at its sole cost and expense, or any of its duly authorized representatives, shall have the right, during regular business hours and upon at least three (3) business days prior written notice to Developer, to perform any audit of Developer's finances and records related to its performance under this Agreement, including without limitation, the financial arrangement with anyone Developer may delegate to discharge any part of its obligations under this Agreement.

(C)  **Contractors.** Developer agrees to ensure that the recordkeeping, access, audit and reporting requirements set forth in this Article 11 are also made legally binding upon any contractor or subcontractor retained in connection with the Development.

(D)  **Subject to defenses and privileges, including attorney-client privileges, under Applicable Requirements (including, without limitation, the rules of civil procedure, and court rulings and orders), the period of access and examination of the records under this Section 11.2 relating to (1) litigation or settlements of disputes arising from the performance of this Agreement, or (2) costs and expenses of this Agreement to which the Authority or any of its duly authorized representatives has taken exception shall continue until disposition of such appeals, litigation, claims, or exceptions.

Section 11.3  **Developer Conflict of Interest.** Developer covenants that neither it nor any of its directors, officers, partners or employees has ownership interest, nor shall acquire ownership interest, directly or indirectly, which constitutes conflict of interest with Developer's performance of the services hereunder. Developer further covenants that in the performance of this Agreement, no person having such interest shall be employed by it. Notwithstanding the foregoing, nothing herein shall prevent Developer or any of its members or affiliates from (A) engaging in or managing other development projects in the Honolulu area or elsewhere, which shall include without limitation the management thereof, or (B) competing for or undertaking any other similar development in any other city.

ARTICLE 12.
INSURANCE; INDEMNIFICATION
Section 12.1 Insurance Requirements. Developer shall maintain and keep in force such insurance as is required by the insurance requirements attached as Exhibit H.

Section 12.2 Developer Indemnification. Developer shall defend, indemnify, and hold harmless the State, the Authority, and their directors, officers, employees, and agents from and against all liability, loss, damage, cost, and expense, including all attorneys’ fees, and all liens, claims, suits, and demands therefor, arising out of or resulting from the acts or omissions of the Developer or its Affiliates, employees, officers, agents, Contractors or subcontractors under this Agreement. The provisions of this Section 12.2 shall survive and remain in full force and effect notwithstanding the expiration or early termination of this Agreement.

Section 12.3 Authority Indemnification. The Authority shall be responsible for damage or personal injury resulting from acts or omissions of Authority employees while acting within the scope of their employment to the extent that the Authority's liability for such damage or injury has been determined by a court or otherwise agreed to by the Authority. The Authority shall pay for such damages and injury to the extent that funds have been authorized and appropriated by the State Legislature for such purpose, and the funds have been allocated by the executive budget process. The provisions of this Section 12.3 shall survive and remain in full force and effect notwithstanding the expiration or early termination of this Agreement.

ARTICLE 13.
TERMINATION FOR CAUSE

Section 13.1 Events of Default by the Developer.

(A) Default. The following shall constitute an “Event of Default” by the Developer:

(1) if Developer, or an Affiliate shall materially breach or fail to perform its obligations under this Agreement or any other agreement with the Authority relating to the Development, other than with respect to a Transferred Phase, and shall fail to cure such default within thirty (30) days from Developer’s receipt of written notice of such default from the Authority, or if such cure cannot reasonably be completed within such thirty (30) day period, shall fail to commence and diligently prosecute such cure to completion within a reasonable time period thereafter not exceeding an additional sixty (60) days; and

(2) if Developer, any member of Developer, or an Affiliate (i) is or becomes insolvent or bankrupt or otherwise ceases to pay its debts as they mature or makes any arrangement with or for the benefit of its creditors or consents to or acquiesces in the appointment of a receiver, trustee or liquidator for the Development or for any substantial part of it; (ii) institutes any bankruptcy, winding up, reorganization, insolvency, arrangement or similar proceeding under the laws of any jurisdiction, or any such proceeding is instituted against the Developer in any jurisdiction which is not stayed or dismissed within ninety (90) days after its institution; (iii) files any action or answer admitting, approving or consenting to any such proceeding; (iv) becomes subject to levy of any distress, execution or attachment upon its property which interferes with its performance hereunder, and the Developer fails within thirty (30) days to discharge such levy,
execution or attachment, or to substitute another entity (whether or not an Affiliate) acceptable to the Authority to perform the obligations of the Developer without material delay in performance that is not solely caused by the Authority; or (v) is convicted of any criminal offense or violation of law.

(B) **Force Majeure.** Notwithstanding the foregoing, if the Developer is delayed in performing its obligations under this Agreement due to Force Majeure or delays caused solely by the Authority, the time for the Developer's performance may be extended for the period of the Force Majeure event or delay caused by the Authority.

(C) **Remedies.** Upon the occurrence of an Event of Default by Developer, the Authority shall be entitled to any and all remedies permitted by law or equity, including, but not limited to, specific performance.

Section 13.2 **Events of Default by the Authority.** It shall be an Event of Default by the Authority if the Authority shall fail to use diligent efforts to perform its obligations under this Agreement and shall fail to cure such default within thirty (30) days from Authority's receipt of written notice of such default from the Developer, or if such cure cannot reasonably be completed within such thirty (30) day period, shall fail to commence and diligently prosecute such cure to completion within a reasonable time period thereafter not exceeding an additional ninety (90) days, unless such longer period is reasonably necessary to cure such default.

**ARTICLE 14.**

**TERMINATION FOR CONVENIENCE**

Section 14.1 **Termination for Conveniences by Either Party.** Until such time as the Parties shall have agreed on a Master Development Plan in accordance with this Agreement, the Authority and the Developer each shall have the right to terminate this Agreement for convenience; provided, however, that the Party exercising this right shall be responsible for all third-party costs actually incurred by the Developer in accordance with this Agreement. If either Party shall terminate this Agreement under this Section 14.1, the Developer shall transfer and assign to the Authority all Work Product funded by Developer for the Development under this Agreement, at the sole discretion of the Authority.

Section 14.2 **Termination for Conveniences by the Authority.** Except as to a Transferred Phase, after such time as the Parties shall have agreed upon a Master Development Plan in accordance with this Agreement, the Authority may terminate this Agreement in whole, or in part, for the convenience of Authority. Any such termination shall be effected by delivery to Developer of a written notice of termination specifying the extent to which the performance of the work under the Agreement is terminated, and the date upon which such termination becomes effective.

Section 14.3 **Developer's Reasonable Costs.** In the event of a termination for convenience under Section 14.2, the Authority shall be liable to Developer for reasonable and proper costs resulting from such termination, which costs shall be paid to Developer within thirty (30) days of receipt by the Authority of a documented claim setting out in detail, including without limitation: (i) the total cost of all third-party costs incurred to date of termination; (ii) the cost
(including reasonable profit) of settling and paying claims under subcontracts and material orders for work performed and materials and supplies delivered to the site, or for settling other liabilities of Developer incurred in performance of its obligations hereunder; (iii) the cost of preserving and protecting the work already performed until the Authority or its assignee takes possession thereof or assumes responsibility therefore; (iv) the actual or estimated cost of legal and accounting services reasonably necessary to prepare and present the termination claim to the Authority; and (v) fair compensation to Developer for all tasks performed to date, but with an offset for sums previously paid by Authority as Developer compensation, or otherwise reimbursed. In the event of such termination, the Developer shall transfer and assign to the Authority all Work Product funded by Developer for the Development under this Agreement, at the sole discretion of the Authority.

Section 14.4 Release; Survival. The Authority and Developer shall provide each other with a release of claims in form acceptable to the other Party upon payment of the costs described in this Article 14. The liability of either Party for failure to comply with the provisions of this Article shall survive the termination of this Agreement.

ARTICLE 15.
TERMINATION WITHOUT FAULT

Section 15.1 No Fault of Parties.

(A) Development Contingencies. The Parties agree that the following matters are conditions precedent to the Authority's and Developer's ability to proceed with the Development and to fulfill the terms and conditions of this Agreement. The Parties' ability to perform responsibilities hereunder is substantially contingent upon actions by third parties over which Developer and Authority have limited control, or upon factual circumstances which cannot be fully determined as of the Effective Date (the "Development Contingencies"). By the times set forth in the Master Development Schedule, respectively (which shall be amended, by agreement of the Parties, to provide Development Phase-specific dates for Subsections (1), (2), (4) and (5), as applicable, for Development Phases after Phase 1), the Parties shall determine if the following Development Contingencies have occurred or, with respect to Subsections (2) – (5) only and not Subsection (1), are likely to occur as stated below. If either Authority or Developer shall disagree that a Development Contingency set forth in Subsections (2) – (5) can be or has been met, the dissenting Party shall provide to the other Party written information which reasonably supports such dissent:

(1) Execution by the Parties of a DDA for each Development Phase, and whether or not listed on the Master Development Schedule, the Parties' agreement on any matter set forth in this Agreement to be agreed on by the Parties or to be approved by the Authority, after good faith efforts by each Party to arrive at such agreement or approval.

(2) Receipt of all necessary governmental approvals for the Development, including, but not limited to, all applicable Federal, State and local entitlements, permits and approvals, or agreement by the Parties that the receipt of such approvals is likely to occur when required;
(3) Developer's completion of the investigation of the Property and title to the Property pursuant to Section 4.3, with results that meet the reasonable satisfaction of the Developer;

(4) Agreement by the Parties that tax credit or tax-exempt bond financing allocations in commercially reasonable amounts for the Development are likely to be available when required; and

(5) Agreement by the Parties that all funds and projected assistance or reasonable substitutions therefor, including grants, loans and land transfers, for the Development are likely to be available when required, including as necessary to fund the cost of any required remediation of Hazardous Materials or other physical condition of the Property.

(B) **Termination.** In the event that (i) a Development Contingency fails to occur and is not waived in writing by the Parties, (ii) the Parties are in full compliance with this Agreement and (iii) the Parties have used best efforts to cause such Development Contingency to occur in accordance with this Agreement, the Parties may attempt to address the Development Contingency in a mutually acceptable fashion by extending deadlines, revising goals, or otherwise. If the Parties cannot, within thirty (30) additional days after either Party provides the other with notice that a Development Contingency has not occurred and such Development Contingency has not been waived in writing by both Parties, agree on a means to achieve such Development Contingency, then, except as to any Transferred Phase, either the Developer or the Authority may terminate this Agreement by delivering written notice to the other Party.

(C) **Work Product.** In the event that Developer or the Authority terminates this Agreement as provided in Subsection (B), and so long as Developer is not in material default under this Agreement, neither Party shall have any liability to the other; provided, however, that at the time of such termination: (i) the Authority shall reimburse the Developer for fifty percent (50%) of the third-party costs actually incurred by the Developer for the Work Product under this Agreement; and (ii) Developer shall transfer and assign the Work Product to the Authority.

Section 15.2 **Release; Survival.** Developer and the Authority will provide each other with a release of claims in form acceptable to the other Party upon payment of the costs described in this Article 15. The liability of either Party for failure to comply with the provisions of this Article 15 shall survive the termination of this Agreement.

**ARTICLE 16.**
**PARTIES’ DISPUTES**

Section 16.1 **Definition of Claim Governed by Dispute Clause.** "Claim", as used in this Article, shall mean a written demand or written assertion by one of the Parties seeking, as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of Agreement terms, or other relief arising under or relating to this Agreement which can be resolved under applicable clause(s) of this Agreement that provide for the relief sought by the claimant. A voucher, invoice, or other routine request for payment that is not in dispute when submitted is not a Claim.
The submission may be converted to a Claim by complying with the requirements of this Article, if it is disputed either as to liability or amount or is not acted upon in a reasonable time.

Section 16.2 Applicability of Dispute Clause. All disputes arising under or relating to this Agreement, including any Claims for damages for the alleged breach thereof which are not disposed of by the Agreement, shall be first addressed and attempted to be resolved under this Article.

Section 16.3 Written Claims to be Submitted to Contracting Officer. All Claims by Developer shall be made in writing and submitted to the Contracting Officer identified in Section 16.7 for a written decision.

Section 16.4 Notice of Decision or Decision Date. The Contracting Officer shall, within fifteen (15) days after receipt of the request, decide the Claim or notify Developer of the date by which the decision will be made. In no event shall the Contracting Officer render a decision later than sixty (60) days from the receipt of the request.

Section 16.5 Effect of Contracting Officer’s Decision. The Contracting Officer’s decision shall be final unless Developer files suit in a court of competent jurisdiction within the applicable statute of limitations.

Section 16.6 Developer’s Duty to Perform Pending Claim Resolution. The Developer shall proceed diligently with performance of this Agreement, pending final resolution of any request for relief, claim, appeal, or action arising under or relating to the Agreement, and comply with any decision of the Contracting Officer.

Section 16.7 Identification of Contracting Officer. For purposes of this Agreement, Authority’s “Contracting Officer” shall be the Authority’s senior procurement officer, or such Contracting Officer’s written designee. The Contracting Officer shall apply the impartiality requirements applicable to the State procurement process in executing the requirements of this Article 16.

ARTICLE 17.
REPRESENTATIONS AND WARRANTIES

Section 17.1 Developer’s Warranty of Good Standing and Authority. Developer hereby represents and warrants to the Authority as follows, which shall be true as of the date hereof and as of the date of the Closing of each Development Phase:

(A) Organization. Developer is a duly organized, validly existing and in good standing State of California non-profit corporation, authorized to do business under the laws of the State, and has the power and authority to own its property and carry on its business as now being conducted. Developer shall provide an opinion with respect to subsections (A)-(F) of this Section 17.1 from its counsel at the time of execution of this Agreement.

(B) Authority of Developer. Developer has full power and authority to execute
and deliver this Agreement and to execute and deliver all documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Agreement, and to perform and observe the terms and provisions of all of the above.

(C) **Authority of Persons Executing Documents.** This Agreement and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Agreement have been executed and delivered by persons who are duly authorized to execute and deliver the same for and on behalf of Developer, and all actions required under Developer's organizational documents and applicable governing law for the authorization, execution, delivery and performance of this Agreement and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Agreement, have been duly taken (to the extent such actions are required as of the date of execution and delivery of the above-named documents).

(D) **Valid and Binding Agreements.** This Agreement and all other documents or instruments which have been executed and delivered pursuant to or in connection with this Agreement constitute or, if not yet executed or delivered, will when so executed and delivered constitute, legal, valid and binding obligations of Developer enforceable against it in accordance with their respective terms, subject to the laws affecting creditors rights and principles of equity.

(E) **No Breach of Law or Agreement.** Neither the execution nor delivery of this Agreement or of any other documents or instruments executed and delivered, or to be executed or delivered, pursuant to this Agreement, nor the performance of any provision, condition, covenant or other term hereof or thereof, will conflict with or result in a breach of any statute, rule or regulation, or any judgment, decree or order of any court, board, commission or agency whatsoever binding on Developer, or any provision of the organizational documents of Developer, or will conflict with or constitute a breach of or a default under any agreement to which Developer is a party, or will result in the creation or imposition of any lien upon any assets or property of Developer, other than liens established pursuant hereto.

(F) **Pending Proceedings.** Developer is not in default under any law or regulation or under any order of any court, board, commission or agency whatsoever, and, to the best of its knowledge, there are no claims, actions, suits or proceedings pending or, to the knowledge of Developer, threatened against or affecting Developer or the Development, at law or in equity, before or by any court, board, commission or agency whatsoever which might, if determined adversely to Developer, materially affect Developer's ability to repay any of the Authority loans or impair the security to be given to the Authority pursuant hereto.

(G) **Financial Statements.** The financial statements of Developer and other financial data and information furnished during the term of this Agreement by Developer as part of the RFQ and/or during the predevelopment period to the Authority fairly present the information contained therein. As of the Effective Date, there has not been any adverse, material change in the financial condition of Developer from that shown by such financial statements and other data and information.

Section 17.2 **Authority's Warranty of Good Standing and Authority.** The Authority represents and warrants to Developer that (i) the Authority is a duly organized, validly organized,
public body, corporate and politic, and is in good standing under the laws of the State, (ii) the Authority has all necessary power and authority under State law, (iii) this Agreement has been duly entered into and is the legally binding obligation of the Authority, (iv) this Agreement will not violate any judgment, law, consent decree, or agreement to which the Authority is a party or is subject to and will not violate any law or ordinance under which the Authority is organized, and (v) there is no claim pending, or to the best knowledge of the Authority, threatened, that would impede the Authority’s ability to perform its obligations hereunder.

ARTICLE 18.
MISCELLANEOUS

Section 18.1 Term & Deposit. This Agreement shall commence upon the Effective Date and, unless sooner terminated in accordance with the provisions herein, shall terminate upon the earlier of the completion of all activities under this Agreement and December 31, 2032 (the “Term”); provided that (i) such Term may be extended by written agreement of the Parties and by Force Majeure, and (ii) this Agreement shall terminate as to each Development Phase upon the Closing for such Phase.

Section 18.2 Decision Standards.

(A) In any approval, consent or other determination by any party required under this Agreement, the party shall act reasonably and in good faith, unless a different standard is explicitly stated.

(B) “Good faith” shall mean honesty in fact in the conduct or transaction concerned based on the facts and circumstances actually known to the individual(s) acting for the Party.

(C) “Discretion,” “sole discretion,” “option,” “election” or words of similar import in this Agreement denote the party’s privilege to act in furtherance of the Party’s interest.

Section 18.3 Notices. Any notice or other communication given or made pursuant to this Agreement shall be in writing and shall be deemed given if (i) delivered personally or by courier, (ii) telecopied or sent by electronic mail, (iii) sent by overnight express delivery, or (iv) mailed by registered or certified mail (return receipt requested), postage prepaid, to a party at its respective address set forth below (or at such other address as shall be specified by the party by like notice given to the other party):

If to the Authority: Hawaii Public Housing Authority 1002 North School Street Honolulu, HI 96817 Attn: Hakim Ouansafi, Executive Director Email: hakim.ouansafi@hawaii.gov

with a copy to: Reno & Cavanaugh, PLLC 455 Massachusetts Avenue NW, Suite 400
Washington, DC 20001
Attn: Megan Glasheen
Email: mglasheen@renocavanaugh.com

and a copy to:
Department of the Attorney General
of the State of Hawaii
425 Queen Street
Honolulu, HI 96813
Attn: Jennifer R. Sugita
Email: Jennifer.R.Sugita@hawaii.gov

If to the Developer:
RHF Foundation, Inc.
c/o Retirement Housing Foundation
911 N. Studebaker Road
Long Beach, CA 90815
Attn: Laverne Joseph
Email: __________________

with a copy to:
Case Lombardi & Pettit
737 Bishop St, Ste. 2600
Honolulu, HI 96813
Attn: Jon M. H. Pang
Email: JPang@caselombardi.com

All such notices and other communications shall be deemed given on the date of personal or local courier delivery, telecopy transmission, delivery to overnight courier or express delivery service, or deposit in the United States Mail, and shall be deemed to have been received (a) in the case of personal or local courier delivery, on the date of such delivery, (b) in the case of telecopy, upon receipt of electronic confirmation thereof, (c) in the case of delivery by overnight courier or express delivery service, on the date following dispatch, and (d) in the case of mailing, on the date specified in the return receipt therefor.

Section 18.4 Representatives. To facilitate communication, the Parties to this Agreement shall designate a representative with responsibility for the routine administration of each party's obligations under this Agreement. The Parties initially appoint the following as representatives:

Authority: Hakim Ouansafi
Developer: Laverne Joseph

Section 18.5 Further Assurances. Each party shall execute such other and further documents as may be reasonably necessary or proper for the consummation of the transaction contemplated by this Agreement.

Section 18.6 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed original, but all of which, together, shall constitute one instrument.
Section 18.7 Interpretation and Governing Law. This Agreement shall not be construed against the party who prepared it but shall be construed as though prepared by both Parties. This Agreement shall be governed by and construed in accordance with the laws of the State of Hawaii. Any lawsuit to interpret or to enforce the terms of this Agreement or to collect damages as a result of any breach of this Agreement shall be filed in Hawaii state court in the City and County of Honolulu or in the federal court with jurisdiction in the City and County of Honolulu. This Agreement is subject to the State of Hawaii AG-008 103D General Conditions attached as Exhibit 1 (the “Hawaii General Conditions”); provided, however, that only Sections 2, 4, 5, 8, 24, 25, 31, 33, and 42 of the Hawaii General Conditions shall apply to this Agreement. The Developer shall comply with the terms and provisions of this Agreement, and the Hawaii General Conditions to the extent applicable to the transactions contemplated herein. In the event of a direct conflict among any of the foregoing, the following order of precedence shall apply: (1) the terms and provisions of this Agreement; and (2) the Hawaii General Conditions.

Section 18.8 Severability. If any portion of this Agreement is declared by a court of competent jurisdiction to be invalid or unenforceable such portion shall be deemed severed from this Agreement and the remaining parts shall continue in full force as though such invalid or unenforceable provision had not been part of this Agreement.

Section 18.9 Entire Agreement. Unless otherwise provided herein, this Agreement constitutes the final understanding and agreement between the Parties with respect to the subject matter hereof and supersedes all prior negotiations, understandings and agreements between the Parties, whether written or oral. This Agreement may be amended, supplemented or changed only by a writing signed or authorized by or on behalf of the party to be bound thereby.

Section 18.10 Non-Liability. No member, official, employee, agent, or consultant of the Authority or of any affiliate of the Authority shall be personally liable to Developer, or any successor in interest or person claiming by, through or under Developer, in the event of any default or breach, or for or on account of any amount which may be or become due, or in any claim, cause or obligation whatsoever under the terms of this Agreement. No member, officer, employee, director, shareholder, manager, or partner of the Developer or of any Affiliate of the Developer shall be personally liable to the Authority, or any successor in interest or person claiming by, through or under the Authority, in the event of any default or breach, or for or on account of any amount which may be or become due, or in any claim, cause or obligation whatsoever under the terms of this Agreement, except as required in accordance with guaranties under Section 6.3.

Section 18.11 Employees and Liabilities. It is understood that persons engaged or employed by a Party as employees, agents, or independent contractors shall be engaged or employed by such Party and not by the other Party. The engaging or employing Party alone is responsible for their work, direction, compensation and personal conduct. Nothing included in any provision of this Agreement shall impose any liability or duty upon either Party to persons, firms, or corporations employed or engaged by the other Party in any capacity whatsoever, or make the other Party liable to any such persons, firms, or corporations, or to any government, for the acts, omissions, liabilities, obligations, and taxes, of whatsoever nature, of the engaging or employing Party or of its employees, agents, or independent contractors.
Section 18.12 **No Agency Created.** Nothing in this Agreement shall be deemed to appoint either Party as an agent for or representative of the other Party, and neither Party is not authorized to act on behalf of the other Party with respect to any matters except those specifically set forth in this Agreement. Neither Party shall have any liability or duty to any person, firm, corporation, or governmental body for any act of omission or commission, liability, or obligation of the other Party, whether arising from actions under this Agreement or otherwise.

Section 18.13 **Waivers.** The failure of either party to insist in any one or more cases upon the strict performance of any of the other party’s obligations under this Agreement or to exercise any right or remedy herein contained shall not be construed as a waiver or a relinquishment for the future of such obligation, right or remedy. No waiver by either party of any provision of this Agreement shall be deemed to have been made unless set forth in writing and signed by that party.

Section 18.14 **Successors.** The terms, covenants, agreements, provisions, and conditions contained herein shall bind and inure to the benefit of the Parties hereto, their successors and assigns.

Section 18.15 **Headings; Sections; Exhibits.** The headings in this Agreement are inserted for convenience only and shall not be used to define, limit or describe the scope of this Agreement or any of the obligations herein. Unless otherwise indicated, references to sections are references to sections of this Agreement. All attachments that are labeled Exhibits are attached hereto and incorporated herein by reference thereto.

Section 18.16 **Construction.** Whenever in this Agreement a pronoun is used, it shall be construed to represent either the singular or the plural, either the masculine or the feminine, as the case shall demand.

Section 18.17 **Cumulative Rights.** Except as expressly limited by the terms of this Agreement, all rights, powers and privileges conferred hereunder shall be cumulative and not restrictive of those provided at law or in equity.

Section 18.18 **Business Licenses/Organizational Clearances.** Developer warrants that Developer has all organizational clearances and licenses necessary to conduct the activities under this Agreement or as may be required by State or local law.

Section 18.19 **Time of Performance.**

(A) **Expiration.** All performance dates (including cure dates) expire at 5:00 p.m., Honolulu, Hawaii time, on the performance or cure day.

(B) **Weekends and Holidays.** A performance date which falls on a Saturday, Sunday or Authority holiday is deemed extended to the next working day.

(C) **Days for Performance.** All periods for performance specified in this Agreement in terms of days shall be calendar days, and not business days, unless otherwise expressly provided in this Agreement.
Section 18.20 Amendment. Neither this Agreement nor any of its terms may be terminated, amended or modified except by a written instrument executed by the Parties.

Section 18.21 Attorneys' Fees. In the event of litigation between the Parties arising out of this Agreement, including, without limitation, to enforce the covenants and conditions of this Agreement, recover possession of the Property, or collect delinquent fees, taxes, assessments, and any and all other charges, each Party shall bear its own costs and expenses, including attorneys' fees, and any judgment or decree rendered in such a proceeding shall not include an award thereof.

[SIGNATURES ON FOLLOWING PAGE]
IN WITNESS WHEREOF, the Parties have duly executed this Agreement by their duly authorized signatories effective on or as of the latest date set forth below.

AUTHORITY:

HAWAII PUBLIC HOUSING AUTHORITY,
a public body corporate and politic

By:  

Hakim Ouansafi  
Executive Director

Date: 11/15/2019.

DEVELOPER:

RHF FOUNDATION, INC.,
a California non-profit corporation

By:  

Dr. Laverne R. Joseph  
CEO & President

Date: Nov. 15, 2019

APPROVED AS TO FORM:

Reno & Cavanaugh, PLLC
IN WITNESS WHEREOF, the Parties have duly executed this Agreement by their duly authorized signatories effective on or as of the latest date set forth below.

AUTHORITY:

HAWAII PUBLIC HOUSING AUTHORITY,
a public body corporate and politic

By: ______________________________________
    Hakim Ouansafi
    Executive Director

Date: ______________________________________

DEVELOPER:

RHF FOUNDATION, INC.,
a California non-profit corporation

By: ______________________________________
    Dr. Laverne R. Joseph
    CEO & President

Date: ______________________________________

APPROVED AS TO FORM:

[Signature]

Reno & Cavanaugh, PLLC
EXHIBIT A

DESCRIPTION OF PROPERTY

6.6 acres of the 12.481 acres of the real property located at 1002 North School Street, Honolulu, Hawaii, 96817 (TMK No. (1) 1-6-009003) as approximately shown on the map set forth below. The Authority and Developer shall agree upon location and boundaries of the real property to be redeveloped under this Agreement at a later date and insert a metes and bounds or other legal description based on a survey of the Property prior to execution of the Phase I DDA.
EXHIBIT B

MASTER DEVELOPMENT PLAN

[attached]
EXHIBIT B
MASTER DEVELOPER PLAN
SCHOOL STREET REDEVELOPMENT

Pursuant to the FEIS, the Master Development Plan shall include 800, age-restricted (62 years and over), affordable housing rental units, up to 10,000 square feet of commercial/retail space and a new 30,000 square foot administrative office building for use by the HPHA.

Attachments:
- Preliminary Site Plan
- Preliminary Massing/Elevations Plan
- Preliminary Phasing Plan
- Visual Impact Analysis
PHASE 1

PHASE 1A: HPHA ADMINISTRATION BLDG: 30,000 SF
PHASE 1B: RESIDENTIAL TOWER AND LINERS: 250 UNITS
INTERIOR PARKING GARAGE

PHASE 2

RESIDENTIAL TOWER AND LINERS: 250 UNITS
INTERIOR PARKING GARAGE

PHASE 3

RESIDENTIAL TOWER AND LINERS: 300 UNITS
GROUND FLOOR COMMERCIAL: APPROX. 10,000 SF

SCHOOL STREET REDEVELOPMENT - PHASES
EXHIBIT C

MASTER DEVELOPMENT SCHEDULE
(School Street Redevelopment Project)

This Master Development Schedule summarizes the schedule for various activities under the Master Development Agreement (the "Agreement") to which this exhibit is attached. The description of items in this Master Development Schedule are meant to be descriptive only, and shall not be deemed to modify in any way the provisions of the Agreement to which such items relate.

Whenever this Master Development Schedule requires the submission of plans or other documents at a specific time, such plans or other documents (or drafts thereof), as submitted, shall be complete and adequate for review by the Authority or other applicable governmental entity within the time set forth herein. Prior to the time set forth for each particular submission, the Developer shall consult with Authority staff informally as necessary concerning such submission in order to assure that such submission will be complete and in a proper form within the time for submission set forth herein. This Master Development Schedule addresses development activity to be undertaken through Phase I in greater detail than the activity for later Development Phases. This Master Development Schedule is intended to be updated by agreement of the Parties, in addition to such other times as the Parties may deem appropriate, after the Closing of any Development Phase with respect to all remaining Development Phases.
Development Milestones

Not Later Than:

08/31/19: Finalize MDA
09/19/19: Submit MDA to HPHA Board of Directors for Approval
10/01/19: Engage: Architect; Civil & Mechanical Engineer; Phase I Environmental Consultants; Geotechnical Engineer; Site Surveyor; Utility Consultants and Historic Preservation Consultants
12/15/19: Community Engagement Meetings to Review Design Progress
12/31/19: Complete and Submit 201H Eligibility Package
01/15/19: Community Engagement Meetings to Review Design Progress
01/30/20: Finalize Schematic Design, Site Plan and Subdivision for HPHA Approval
01/30/20: Engage Architect to Produce Design Development, Construction Drawings and Prepare Specifications for Phase One Construction
02/15/20: Submit 201H Application for Zone Change, Site Plan Approval, Parcel Map and Exemptions to Honolulu City & County Department of Planning and Permitting
04/30/20: Community Engagement Meetings to Review 201H Comments
06/15/20: Achieve 201H Entitlements
08/15/20: Submit Construction Drawing Honolulu City & County Department of Planning and Permitting
08/15/20: Prepare and Distribute Bid Package to General Contractors for Bidding
09/30/20: Selection of General Contractor and Contract Negotiation
01/15/21: Complete Application for Tax-Exempt Bonds and Low Income Housing Tax Credits for Submission
07/15/21: Receive Allocation of Tax-Exempt Bonds and Low Income Housing Tax Credits
10/15/21: Complete First Financial Closing and Phase One Ground Breaking
EXHIBIT D
MASTER DEVELOPMENT BUDGET

[attached]
### Exhibit D
Master Development Budget

#### Scenario 1 - 4% Low Income Housing Tax Credits

<table>
<thead>
<tr>
<th>Sources</th>
<th>Phase I 250</th>
<th>Phase II 250</th>
<th>Phase III 300</th>
<th>Total 800</th>
<th>HPIIA 800</th>
<th>Total 800</th>
</tr>
</thead>
<tbody>
<tr>
<td>LP LIHTC Equity</td>
<td>42,517,349</td>
<td>44,194,089</td>
<td>55,041,852</td>
<td>141,753,290</td>
<td>-</td>
<td>141,753,290</td>
</tr>
<tr>
<td>GP LIHTC Equity</td>
<td>4,252</td>
<td>4,419</td>
<td>5,054</td>
<td>14,175</td>
<td>-</td>
<td>14,175</td>
</tr>
<tr>
<td>First Mortgage</td>
<td>21,349,196</td>
<td>18,992,699</td>
<td>27,391,850</td>
<td>77,748,799</td>
<td>-</td>
<td>77,748,799</td>
</tr>
<tr>
<td>GAP Financing</td>
<td>36,457,847</td>
<td>40,542,332</td>
<td>48,041,299</td>
<td>125,041,499</td>
<td>-</td>
<td>125,041,499</td>
</tr>
<tr>
<td>Deferred Developer Fee</td>
<td>3,388,609</td>
<td>3,496,616</td>
<td>6,241,661</td>
<td>13,126,886</td>
<td>-</td>
<td>13,126,886</td>
</tr>
<tr>
<td>HPIIA - Office Loan</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>22,661,598</td>
</tr>
<tr>
<td><strong>Total Sources</strong></td>
<td>103,917,353</td>
<td>107,229,545</td>
<td>136,722,096</td>
<td>347,868,995</td>
<td>22,661,598</td>
<td>370,530,593</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Uses</th>
<th>Phase I 250</th>
<th>Phase II 250</th>
<th>Phase III 300</th>
<th>Total 800</th>
<th>HPIIA 800</th>
<th>Total 800</th>
</tr>
</thead>
<tbody>
<tr>
<td>Predevelopment - EIS</td>
<td>992,888</td>
<td>-</td>
<td>-</td>
<td>992,888</td>
<td>-</td>
<td>992,888</td>
</tr>
<tr>
<td>Predevelopment - Architect &amp; Entitlements</td>
<td>3,836,474</td>
<td>2,750,000</td>
<td>2,750,000</td>
<td>9,336,474</td>
<td>-</td>
<td>9,336,474</td>
</tr>
<tr>
<td>Land Improvements</td>
<td>2,265,625</td>
<td>2,265,625</td>
<td>2,718,750</td>
<td>7,250,000</td>
<td>1,450,000</td>
<td>8,700,000</td>
</tr>
<tr>
<td>Building Permits, Fees &amp; Entitlements</td>
<td>5,349,233</td>
<td>6,750,000</td>
<td>7,550,000</td>
<td>19,149,233</td>
<td>-</td>
<td>19,149,233</td>
</tr>
<tr>
<td>Architect/Engineering (Construction Administration)</td>
<td>480,000</td>
<td>600,000</td>
<td>600,000</td>
<td>1,680,000</td>
<td>1,020,000</td>
<td>2,700,000</td>
</tr>
<tr>
<td>Construction Loan Interest</td>
<td>2,356,112</td>
<td>2,288,857</td>
<td>2,694,782</td>
<td>7,339,751</td>
<td>-</td>
<td>7,339,751</td>
</tr>
<tr>
<td>Insurance</td>
<td>1,232,250</td>
<td>1,306,185</td>
<td>1,657,880</td>
<td>4,196,315</td>
<td>-</td>
<td>4,196,315</td>
</tr>
<tr>
<td>Relocation</td>
<td>500,000</td>
<td>-</td>
<td>-</td>
<td>500,000</td>
<td>-</td>
<td>500,000</td>
</tr>
<tr>
<td>Finance Fees - Lender, Issuer and Tax Credit Fees</td>
<td>2,714,830</td>
<td>2,672,577</td>
<td>2,675,501</td>
<td>8,017,908</td>
<td>-</td>
<td>8,017,908</td>
</tr>
<tr>
<td>3rd Party - Legal, Fin Consult, Zoning &amp; Appraisal</td>
<td>1,425,000</td>
<td>1,975,000</td>
<td>1,875,000</td>
<td>5,275,000</td>
<td>400,000</td>
<td>5,675,000</td>
</tr>
<tr>
<td>Developer Fee</td>
<td>13,554,537</td>
<td>13,986,462</td>
<td>17,833,317</td>
<td>45,374,217</td>
<td>1,567,848</td>
<td>46,942,065</td>
</tr>
<tr>
<td><strong>Total Uses</strong></td>
<td>103,917,353</td>
<td>107,229,545</td>
<td>136,722,096</td>
<td>347,868,995</td>
<td>22,661,598</td>
<td>370,530,593</td>
</tr>
</tbody>
</table>
### EXHIBIT E

**REMAINING MASTER PLANNING**

<table>
<thead>
<tr>
<th>AGENCY</th>
<th>PERMIT/APPROVAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CITY &amp; COUNTY OF HONOLULU</strong></td>
<td></td>
</tr>
<tr>
<td>Honolulu City Council</td>
<td>- 201H</td>
</tr>
<tr>
<td>Department of Planning &amp; Permitting (DPP)</td>
<td>- 201H&lt;br&gt;- Parcel Map&lt;br&gt;- Site Plan Approval&lt;br&gt;- Grubbing, Grading, and Stockpiling Permit&lt;br&gt;- Building Permit for Building, Electrical, Plumbing, Sidewalk/Driveway, and Demolition Work&lt;br&gt;- Sewer Connection Permit&lt;br&gt;- Erosion Sediment Control Plan (ESCP)</td>
</tr>
<tr>
<td>Department of Transportation Services (DTS)</td>
<td>- Street Usage Permit</td>
</tr>
<tr>
<td><strong>STATE OF HAWAI'I</strong></td>
<td></td>
</tr>
<tr>
<td>Department of Health (DOH)</td>
<td>- National Pollutant Discharge Elimination System (NPDES) Permit&lt;br&gt;- Noise Permit&lt;br&gt;- Environmental Health Management Plan (EHMP)&lt;br&gt;- Air Conditioning and Ventilation Permit</td>
</tr>
<tr>
<td>State Historic Preservation Division (SHPD)</td>
<td>- Historic Site Review</td>
</tr>
<tr>
<td><strong>OTHER</strong></td>
<td></td>
</tr>
<tr>
<td>Hawaiian Electric Company (HECo)</td>
<td>- High Voltage Line Clearance&lt;br&gt;- Utility Plan</td>
</tr>
<tr>
<td>Hawaiian Telcom and Charter Communications</td>
<td>- Voice, Data and Communications Plan</td>
</tr>
</tbody>
</table>
**EXHIBIT F**

**MASTER PLANNING COSTS**

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Master Planning &amp; Environmental Review</td>
<td>$953,838</td>
</tr>
<tr>
<td>Market Studies</td>
<td>25,624</td>
</tr>
<tr>
<td>Traffic Studies</td>
<td>9,619</td>
</tr>
<tr>
<td>Title Report</td>
<td>2,200</td>
</tr>
<tr>
<td>Public Relations</td>
<td>1,607</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$992,888</strong></td>
</tr>
</tbody>
</table>
**EXHIBIT G**

**SHARED PREDEVELOPMENT COSTS**

<table>
<thead>
<tr>
<th>Costs</th>
<th>Consultant Proposals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Architect</td>
<td>$60,000.00</td>
</tr>
<tr>
<td>Landscape Architect</td>
<td>5,026.00</td>
</tr>
<tr>
<td>Civil Engineer</td>
<td>35,000.00</td>
</tr>
<tr>
<td>Site Planning, Subdivision, Entitlement</td>
<td>193,717.00</td>
</tr>
<tr>
<td>Survey</td>
<td>20,000.00</td>
</tr>
<tr>
<td>Hazmat Study (Demolition Plan)</td>
<td>111,183.00</td>
</tr>
<tr>
<td>Arborist</td>
<td>1,500.00</td>
</tr>
<tr>
<td>Soils Engineer</td>
<td>161,400.00</td>
</tr>
<tr>
<td>Waterproofing Consultant</td>
<td>75,000.00</td>
</tr>
<tr>
<td>Plan Expeditor</td>
<td>50,000.00</td>
</tr>
<tr>
<td>Elevator Consultant</td>
<td>20,000.00</td>
</tr>
<tr>
<td>LEED Consultant</td>
<td>18,000.00</td>
</tr>
<tr>
<td>Dry Utility Consultant</td>
<td>42,401.00</td>
</tr>
<tr>
<td>Traffic Consultant</td>
<td>50,100.00</td>
</tr>
<tr>
<td>Phase I Study</td>
<td>15,707.00</td>
</tr>
<tr>
<td>Phase II Study</td>
<td>50,000.00</td>
</tr>
<tr>
<td>Hawaiian Culture Consultant</td>
<td>18,000.00</td>
</tr>
<tr>
<td>Wind and Shadow Studies</td>
<td>35,000.00</td>
</tr>
<tr>
<td>Acoustics Study</td>
<td>30,000.00</td>
</tr>
<tr>
<td>Historic Preservation (HRS 6E)</td>
<td>45,440.00</td>
</tr>
<tr>
<td>Anthropologist/Paleontologist</td>
<td>9,000.00</td>
</tr>
<tr>
<td><strong>Total - Predevelopment Costs</strong></td>
<td>$1,046,474.00</td>
</tr>
<tr>
<td>Full Architecture and Engineering</td>
<td>$2,540,000.00</td>
</tr>
<tr>
<td>Permits and Plan Check Fees</td>
<td>$250,000.00</td>
</tr>
<tr>
<td><strong>Total Plans &amp; Permitting Cost</strong></td>
<td>$3,836,474.00</td>
</tr>
</tbody>
</table>
EXHIBIT H

INSURANCE REQUIREMENTS

The Developer will provide Comprehensive General Liability, Comprehensive Automobile Liability, Employers Liability and Errors and Omissions Liability coverage to protect itself and the Authority. The State of Hawaii, the Authority, its employees and representatives must be named as an additional insured on all policies. The policies will provide limits of coverage acceptable to the Authority and will be provided by highly rated insurance companies acceptable to the Authority.

The Developer shall furnish to the Authority certificate(s) of insurance as evidence of the existence of the following insurance coverage in amounts not less than the amounts specified. This insurance must be maintained throughout the entire performance period. The amounts below are subject to change. References to the “Contract” shall mean the Master Development Agreement to which this Exhibit is attached.

1. **Workers’ Compensation.**

   The Developer shall carry Workers’ Compensation insurance in such form and amount to satisfy, the applicable the State Workers’ Compensation Law. Workers’ Compensation must be issued by an admitted carrier authorized to do business in the State of Hawaii.

2. **Fidelity Bond.**

   The Developer shall obtain and maintain, at its sole expense during the term of this Contract, a fidelity bond at a minimum of $500,000.00, or the minimum amount required by the applicable program, which shall cover all officers, employees, and agents of the Developer and which shall protect the Developer against loss by reason of, including but not limited to, fraud, dishonesty, forgery, theft, larceny, embezzlement, wrongful abstraction or misappropriation or any other dishonest criminal or fraudulent act, wherever committed and whether committed directly or with others. The Developer shall furnish, at no cost or expense to the Authority, a certificate of such coverage.

3. **Errors and Omissions.**

   The Developer shall obtain and maintain errors and omissions professional liability coverage at its own expense at a minimum of $1,000,000.00 per occurrence and $2,000,000.00 annual aggregate.

4. **Liability Insurance.**

   The Developer shall maintain the following minimum insurance limits and coverage:

<table>
<thead>
<tr>
<th>Coverages</th>
<th>Limits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial General Liability</td>
<td>No less than $3,000,000 single limits per</td>
</tr>
<tr>
<td>Category</td>
<td>Description</td>
</tr>
<tr>
<td>----------------------------------------------</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Personal Injury Liability</td>
<td>No less than $3,000,000 single limits per occurrence</td>
</tr>
<tr>
<td></td>
<td>No less than $5,000,000 for general aggregate</td>
</tr>
<tr>
<td>Automobile Insurance</td>
<td>Bodily injury liability limits of $1,000,000.00 each person and $1,000,000.00 per accident</td>
</tr>
<tr>
<td></td>
<td>OR $2,000,000.00 combined single limit</td>
</tr>
<tr>
<td>Workers’ Compensation as required by the</td>
<td>Insurance to include Employer’s Liability. Both</td>
</tr>
<tr>
<td>laws of the State of Hawaii</td>
<td>such coverages shall apply to all employees of the Developer and to all</td>
</tr>
<tr>
<td></td>
<td>employees of sub-contractors in case any sub-contractor fails to provide</td>
</tr>
<tr>
<td></td>
<td>adequate similar protection for all its employees</td>
</tr>
</tbody>
</table>

A certificate of insurance and a copy of each policy evidencing such insurance is required prior to commencement of services. The insurance policy required by this Agreement shall contain the following clauses:

(a) “This insurance shall not be canceled, limited in scope of coverage or non-renewed until after 30 days written notice has been given to the State of Hawaii, Hawaii Public Housing Authority (Authority), Office of the Executive Director, 1002 N. School Street, Bldg. E, Honolulu, Hawaii 96817.”

(b) “The State of Hawaii, the Hawaii Public Housing Authority, its elected and appointed officials, officers, and employees shall be named as additional insured, excluding Professional Responsibility Insurance and Workers Compensation Insurance policies as respects to operations performed for the State of Hawaii under this Contract.”

(c) “It is agreed that any insurance maintained by the State of Hawaii will apply in excess of, and not contribute with, insurance provided by this policy.”

The minimum insurance required shall be in full compliance with the Hawaii Insurance Code throughout the entire term of the Agreement, including all Contracts.

Upon execution of the Agreement, the Developer agrees to deposit with the Authority, certificate(s) of insurance and copy of each insurance policy necessary to satisfy the Authority that the insurance provisions of this Agreement have been complied with and to keep such insurance in effect and the certificate(s) on deposit with the Authority during the entire term of this Agreement. Upon request of the Authority, the Developer shall be responsible for furnishing a copy of the policy or policies.

Failure of the Developer to provide and keep in force such insurance shall be regarded as material default under this Agreement. The Authority shall be entitled to exercise any or all of
the remedies provided in this Agreement for default of the Developer. The Developer will immediately provide a written notice to the contracting department of agency should any of the insurance policies evidenced on its Certificate of Insurance for be cancelled, limited in scope, or not renewed upon expiration.

(d) To satisfy the minimum coverage limits required by this Agreement, the Developer may use an umbrella policy in addition to the mandatory insurance policies (i.e. General Liability Insurance, Automobile Insurance, and Worker’s Compensation Insurance) provided that the Authority approves, and the umbrella policy follows the underlying coverage forms.

The procuring of such required insurance shall not be construed to limit the Developer’s liability hereunder nor to fulfill the indemnification provisions and requirements of this Agreement. Notwithstanding said policy or policies of insurance, Developer shall be obligated for the full and total amount of any damage, injury, or loss caused by negligence or neglect connected with this Agreement.
EXHIBIT I

STATE OF HAWAII GENERAL CONDITIONS

[attached]

EXHIBIT I-1

SAMPLE WORK PRODUCT ASSIGNMENT PROVISION

Ownership and Use of Instruments of Service. For purposes of this Section, “Instruments of Service” are representations, in any medium of expression now known or later developed, of the tangible and intangible work performed by the [Contractor] and the [Contractor’s] consultants under their respective professional services agreements. Instruments of Service may include, without limitation, studies, surveys, models, sketches, drawings, specifications, documents and other similar materials. The Instruments of Service prepared by the [Contractor] and the [Contractor’s] consultants are Instruments of Service through which the [Project] is to be executed by the [Client], its consultants, contractors, subcontractors and material or equipment suppliers. The [Client] may retain copies of all Instruments of Service. All copies of Instruments of Service, except the [Client’s] set(s), shall be returned or suitably accounted for to the [Contractor], on request. The Instruments of Services prepared by the [Contractor] and the [Contractor’s] consultants, and copies thereof furnished to the [Client], are for use with respect to this [Project]. The [Client], its consultants, contractors, subcontractors and material or equipment suppliers are authorized to use and reproduce applicable portions of the Instruments of Service prepared by the [Contractor] and the [Contractor’s] consultants appropriate to and for use in the execution of the work for the [Project]. All copies made under this authorization shall bear the statutory copyright notice, if any, shown on the Instruments of Service prepared by the [Contractor] and the [Contractor’s] consultants. Submittal or distribution to meet official regulatory requirements or for other purposes in connection with the [Project] is not to be construed as publication in derogation of the [Contractor’s] or [Contractor’s] consultants’ copyrights or other reserved rights. The Instruments of Services and the [Client’s] use thereof are assignable to Hawaii Public Housing Authority without the consent of the [Contractor] or [Contractor’s] consultants.
# GENERAL CONDITIONS

## Table of Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Coordination of Services by the STATE</td>
<td>2</td>
</tr>
<tr>
<td>2. Relationship of Parties: Independent Contractor Status and Responsibilities</td>
<td>2</td>
</tr>
<tr>
<td>3. Personnel Requirements</td>
<td>3</td>
</tr>
<tr>
<td>4. Nondiscrimination</td>
<td>3</td>
</tr>
<tr>
<td>5. Conflicts of Interest</td>
<td>3</td>
</tr>
<tr>
<td>6. Subcontracts and Assignments</td>
<td>3</td>
</tr>
<tr>
<td>7. Indemnification and Defense</td>
<td>4</td>
</tr>
<tr>
<td>8. Cost of Litigation</td>
<td>4</td>
</tr>
<tr>
<td>9. Liquidated Damages</td>
<td>4</td>
</tr>
<tr>
<td>10. STATES Right of Offset</td>
<td>4</td>
</tr>
<tr>
<td>11. Disputes</td>
<td>4</td>
</tr>
<tr>
<td>12. Suspension of Contract</td>
<td>4</td>
</tr>
<tr>
<td>13. Termination for Default</td>
<td>5</td>
</tr>
<tr>
<td>14. Termination for Convenience</td>
<td>6</td>
</tr>
<tr>
<td>15. Claims Based on the Agency Procurement Officer’s Actions or Omissions</td>
<td>8</td>
</tr>
<tr>
<td>16. Costs and Expenses</td>
<td>8</td>
</tr>
<tr>
<td>17. Payment Procedures; Final Payment; Tax Clearance</td>
<td>9</td>
</tr>
<tr>
<td>18. Federal Funds</td>
<td>9</td>
</tr>
<tr>
<td>19. Modifications of Contract</td>
<td>9</td>
</tr>
<tr>
<td>20. Change Order</td>
<td>10</td>
</tr>
<tr>
<td>21. Price Adjustment</td>
<td>11</td>
</tr>
<tr>
<td>22. Variation in Quantity for Definite Quantity Contracts</td>
<td>11</td>
</tr>
<tr>
<td>24. Confidentiality of Material</td>
<td>12</td>
</tr>
<tr>
<td>25. Publicity</td>
<td>12</td>
</tr>
<tr>
<td>26. Ownership Rights and Copyright</td>
<td>12</td>
</tr>
<tr>
<td>27. Liens and Warranties</td>
<td>12</td>
</tr>
<tr>
<td>28. Audit of Books and Records of the CONTRACTOR</td>
<td>13</td>
</tr>
<tr>
<td>29. Cost or Pricing Data</td>
<td>13</td>
</tr>
<tr>
<td>30. Audit of Cost or Pricing Data</td>
<td>13</td>
</tr>
<tr>
<td>31. Records Retention</td>
<td>13</td>
</tr>
<tr>
<td>32. Antitrust Claims</td>
<td>13</td>
</tr>
<tr>
<td>33. Patented Articles</td>
<td>13</td>
</tr>
<tr>
<td>34. Governing Law</td>
<td>14</td>
</tr>
<tr>
<td>35. Compliance with Laws</td>
<td>14</td>
</tr>
<tr>
<td>36. Conflict between General Conditions and Procurement Rules</td>
<td>14</td>
</tr>
<tr>
<td>37. Entire Contract</td>
<td>14</td>
</tr>
<tr>
<td>38. Severability</td>
<td>14</td>
</tr>
<tr>
<td>39. Waiver</td>
<td>14</td>
</tr>
<tr>
<td>40. Pollution Control</td>
<td>14</td>
</tr>
<tr>
<td>41. Campaign Contributions</td>
<td>14</td>
</tr>
<tr>
<td>42. Confidentiality of Personal Information</td>
<td>14</td>
</tr>
</tbody>
</table>
GENERAL CONDITIONS

1. Coordination of Services by the STATE. The head of the purchasing agency ("HOPA") (which term includes the designee of the HOPA) shall coordinate the services to be provided by the CONTRACTOR in order to complete the performance required in the Contract. The CONTRACTOR shall maintain communications with HOPA at all stages of the CONTRACTOR'S work, and submit to HOPA for resolution any questions which may arise as to the performance of this Contract. "Purchasing agency" as used in these General Conditions means and includes any governmental body which is authorized under chapter 103D, HRS, or its implementing rules and procedures, or by way of delegation, to enter into contracts for the procurement of goods or services or both.


a. In the performance of services required under this Contract, the CONTRACTOR is an "independent contractor," with the authority and responsibility to control and direct the performance and details of the work and services required under this Contract; however, the STATE shall have a general right to inspect work in progress to determine whether, in the STATE'S opinion, the services are being performed by the CONTRACTOR in compliance with this Contract. Unless otherwise provided by special condition, it is understood that the STATE does not agree to use the CONTRACTOR exclusively, and that the CONTRACTOR is free to contract to provide services to other individuals or entities while under contract with the STATE.

b. The CONTRACTOR and the CONTRACTOR'S employees and agents are not by reason of this Contract, agents or employees of the State for any purpose, and the CONTRACTOR and the CONTRACTOR'S employees and agents shall not be entitled to claim or receive from the State any vacation, sick leave, retirement, workers' compensation, unemployment insurance, or other benefits provided to state employees.

c. The CONTRACTOR shall be responsible for the accuracy, completeness, and adequacy of the CONTRACTOR'S performance under this Contract. Furthermore, the CONTRACTOR intentionally, voluntarily, and knowingly assumes the sole and entire liability to the CONTRACTOR'S employees and agents, and to any individual not a party to this Contract, for all loss, damage, or injury caused by the CONTRACTOR, or the CONTRACTOR'S employees or agents in the course of their employment.

d. The CONTRACTOR shall be responsible for payment of all applicable federal, state, and county taxes and fees which may become due and owing by the CONTRACTOR by reason of this Contract, including but not limited to (i) income taxes, (ii) employment related fees, assessments, and taxes, and (iii) general excise taxes. The CONTRACTOR also is responsible for obtaining all licenses, permits, and certificates that may be required in order to perform this Contract.

e. The CONTRACTOR shall obtain a general excise tax license from the Department of Taxation, State of Hawaii, in accordance with section 237-9, HRS, and shall comply with all requirements thereof. The CONTRACTOR shall obtain a tax clearance certificate from the Director of Taxation, State of Hawaii, and the Internal Revenue Service, U.S. Department of the Treasury, showing that all delinquent taxes, if any, levied or accrued under state law and the Internal Revenue Code of 1986, as amended, against the CONTRACTOR have been paid and submit the same to the STATE prior to commencing any performance under this Contract. The CONTRACTOR shall also be solely responsible for meeting all requirements necessary to obtain the tax clearance certificate required for final payment under sections 103-53 and 103D-328, HRS, and paragraph 17 of these General Conditions.

f. The CONTRACTOR is responsible for securing all employee-related insurance coverage for the CONTRACTOR and the CONTRACTOR'S employees and agents that is or may be required by law, and for payment of all premiums, costs, and other liabilities associated with securing the insurance coverage.
g. The CONTRACTOR shall obtain a certificate of compliance issued by the Department of Labor and Industrial Relations, State of Hawaii, in accordance with section 103D-310, HRS, and section 3-122-112, HAR, that is current within six months of the date of issuance.

h. The CONTRACTOR shall obtain a certificate of good standing issued by the Department of Commerce and Consumer Affairs, State of Hawaii, in accordance with section 103D-310, HRS, and section 3-122-112, HAR, that is current within six months of the date of issuance.

i. In lieu of the above certificates from the Department of Taxation, Labor and Industrial Relations, and Commerce and Consumer Affairs, the CONTRACTOR may submit proof of compliance through the State Procurement Office's designated certification process.


a. The CONTRACTOR shall secure, at the CONTRACTOR'S own expense, all personnel required to perform this Contract.

b. The CONTRACTOR shall ensure that the CONTRACTOR'S employees or agents are experienced and fully qualified to engage in the activities and perform the services required under this Contract, and that all applicable licensing and operating requirements imposed or required under federal, state, or county law, and all applicable accreditation and other standards of quality generally accepted in the field of the activities of such employees and agents are complied with and satisfied.

4. Nondiscrimination. No person performing work under this Contract, including any subcontractor, employee, or agent of the CONTRACTOR, shall engage in any discrimination that is prohibited by any applicable federal, state, or county law.

5. Conflicts of Interest. The CONTRACTOR represents that neither the CONTRACTOR, nor any employee or agent of the CONTRACTOR, presently has any interest, and promises that no such interest, direct or indirect, shall be acquired, that would or might conflict in any manner or degree with the CONTRACTOR'S performance under this Contract.

6. Subcontracts and Assignments. The CONTRACTOR shall not assign or subcontract any of the CONTRACTOR'S duties, obligations, or interests under this Contract and no such assignment or subcontract shall be effective unless (i) the CONTRACTOR obtains the prior written consent of the STATE, and (ii) the CONTRACTOR'S assignee or subcontractor submits to the STATE a tax clearance certificate from the Director of Taxation, State of Hawaii, and the Internal Revenue Service, U.S. Department of Treasury, showing that all delinquent taxes, if any, levied or accrued under state law and the Internal Revenue Code of 1986, as amended, against the CONTRACTOR'S assignee or subcontractor have been paid. Additionally, no assignment by the CONTRACTOR of the CONTRACTOR'S right to compensation under this Contract shall be effective unless and until the assignment is approved by the Comptroller of the State of Hawaii, as provided in section 40-58, HRS.

a. Recognition of a successor in interest. When in the best interest of the State, a successor in interest may be recognized in an assignment contract in which the STATE, the CONTRACTOR and the assignee or transferee (hereinafter referred to as the "Assignee") agree that:

1. The Assignee assumes all of the CONTRACTOR'S obligations;

2. The CONTRACTOR remains liable for all obligations under this Contract but waives all rights under this Contract as against the STATE; and

3. The CONTRACTOR shall continue to furnish, and the Assignee shall also furnish, all required bonds.

b. Change of name. When the CONTRACTOR asks to change the name in which it holds this Contract with the STATE, the procurement officer of the purchasing agency (hereinafter referred to as the "Agency procurement officer") shall, upon receipt of a document acceptable or satisfactory to the
Agency procurement officer indicating such change of name (for example, an amendment to the CONTRACTOR’S articles of incorporation), enter into an amendment to this Contract with the CONTRACTOR to effect such a change of name. The amendment to this Contract changing the CONTRACTOR’S name shall specifically indicate that no other terms and conditions of this Contract are thereby changed.

c. **Reports.** All assignment contracts and amendments to this Contract effecting changes of the CONTRACTOR’S name or novations hereunder shall be reported to the chief procurement officer (CPO) as defined in section 103D-203(a), HRS, within thirty days of the date that the assignment contract or amendment becomes effective.

d. **Actions affecting more than one purchasing agency.** Notwithstanding the provisions of subparagraphs 6a through 6c herein, when the CONTRACTOR holds contracts with more than one purchasing agency of the State, the assignment contracts and the novation and change of name amendments herein authorized shall be processed only through the CPO’s office.

7. **Indemnification and Defense.** The CONTRACTOR shall defend, indemnify, and hold harmless the State of Hawaii, the contracting agency, and their officers, employees, and agents from and against all liability, loss, damage, cost, and expense, including all attorneys’ fees, and all claims, suits, and demands therefore, arising out of or resulting from the acts or omissions of the CONTRACTOR or the CONTRACTOR’S employees, officers, agents, or subcontractors under this Contract. The provisions of this paragraph shall remain in full force and effect notwithstanding the expiration or early termination of this Contract.

8. **Cost of Litigation.** In case the STATE shall, without any fault on its part, be made a party to any litigation commenced by or against the CONTRACTOR in connection with this Contract, the CONTRACTOR shall pay all costs and expenses incurred by or imposed on the STATE, including attorneys’ fees.

9. **Liquidated Damages.** When the CONTRACTOR is given notice of delay or nonperformance as specified in paragraph 13 (Termination for Default) and fails to cure in the time specified, it is agreed the CONTRACTOR shall pay to the STATE the amount, if any, set forth in this Contract per calendar day from the date set for cure until either (i) the STATE reasonably obtains similar goods or services, or both, if the CONTRACTOR is terminated for default, or (ii) until the CONTRACTOR provides the goods or services, or both, if the CONTRACTOR is not terminated for default. To the extent that the CONTRACTOR’S delay or nonperformance is excused under paragraph 13d (Excuse for Nonperformance or Delay Performance), liquidated damages shall not be assessable against the CONTRACTOR. The CONTRACTOR remains liable for damages caused other than by delay.

10. **STATE’S Right of Offset.** The STATE may offset against any monies or other obligations the STATE owes to the CONTRACTOR under this Contract, any amounts owed to the State of Hawaii by the CONTRACTOR under this Contract or any other contracts, or pursuant to any law or other obligation owed to the State of Hawaii by the CONTRACTOR, including, without limitation, the payment of any taxes or levies of any kind or nature. The STATE will notify the CONTRACTOR in writing of any offset and the nature of such offset. For purposes of this paragraph, amounts owed to the State of Hawaii shall not include debts or obligations which have been liquidated, agreed to by the CONTRACTOR, and are covered by an installment payment or other settlement plan approved by the State of Hawaii, provided, however, that the CONTRACTOR shall be entitled to such exclusion only to the extent that the CONTRACTOR is current with, and not delinquent on, any payments or obligations owed to the State of Hawaii under such payment or other settlement plan.

11. **Disputes.** Disputes shall be resolved in accordance with section 103D-703, HRS, and chapter 3-126, Hawaii Administrative Rules ("HAR"), as the same may be amended from time to time.

12. **Suspension of Contract.** The STATE reserves the right at any time and for any reason to suspend this Contract for any reasonable period, upon written notice to the CONTRACTOR in accordance with the provisions herein.

a. **Order to stop performance.** The Agency procurement officer may, by written order to the CONTRACTOR, at any time, and without notice to any surety, require the CONTRACTOR to stop all or any part of the performance called for by this Contract. This order shall be for a specified
period not exceeding sixty (60) days after the order is delivered to the CONTRACTOR, unless the parties agree to any further period. Any such order shall be identified specifically as a stop performance order issued pursuant to this section. Stop performance orders shall include, as appropriate: (1) A clear description of the work to be suspended; (2) Instructions as to the issuance of further orders by the CONTRACTOR for material or services; (3) Guidance as to action to be taken on subcontracts; and (4) Other instructions and suggestions to the CONTRACTOR for minimizing costs. Upon receipt of such an order, the CONTRACTOR shall forthwith comply with its terms and suspend all performance under this Contract at the time stated, provided, however, the CONTRACTOR shall take all reasonable steps to minimize the occurrence of costs allocable to the performance covered by the order during the period of performance stoppage. Before the stop performance order expires, or within any further period to which the parties shall have agreed, the Agency procurement officer shall either:

(1) Cancel the stop performance order; or

(2) Terminate the performance covered by such order as provided in the termination for default provision or the termination for convenience provision of this Contract.

b. Cancellation or expiration of the order. If a stop performance order issued under this section is cancelled at any time during the period specified in the order, or if the period of the order or any extension thereof expires, the CONTRACTOR shall have the right to resume performance. An appropriate adjustment shall be made in the delivery schedule or contract price, or both, and the Contract shall be modified in writing accordingly, if:

(1) The stop performance order results in an increase in the time required for, or in the CONTRACTOR'S cost properly allocable to, the performance of any part of this Contract; and

(2) The CONTRACTOR asserts a claim for such an adjustment within thirty (30) days after the end of the period of performance stoppage; provided that, if the Agency procurement officer decides that the facts justify such action, any such claim asserted may be received and acted upon at any time prior to final payment under this Contract.

c. Termination of stopped performance. If a stop performance order is not cancelled and the performance covered by such order is terminated for default or convenience, the reasonable costs resulting from the stop performance order shall be allowable by adjustment or otherwise.

d. Adjustment of price. Any adjustment in contract price made pursuant to this paragraph shall be determined in accordance with the price adjustment provision of this Contract.

13. Termination for Default.

a. Default. If the CONTRACTOR refuses or fails to perform any of the provisions of this Contract with such diligence as will ensure its completion within the time specified in this Contract, or any extension thereof, otherwise fails to timely satisfy the Contract provisions, or commits any other substantial breach of this Contract, the Agency procurement officer may notify the CONTRACTOR in writing of the delay or non-performance and if not cured in ten (10) days or any longer time specified in writing by the Agency procurement officer, such officer may terminate the CONTRACTOR'S right to proceed with the Contract or such part of the Contract as to which there has been delay or a failure to properly perform. In the event of termination in whole or in part, the Agency procurement officer may procure similar goods or services in a manner and upon the terms deemed appropriate by the Agency procurement officer. The CONTRACTOR shall continue performance of the Contract to the extent it is not terminated and shall be liable for excess costs incurred in procuring similar goods or services.

b. CONTRACTOR'S duties. Notwithstanding termination of the Contract and subject to any directions from the Agency procurement officer, the CONTRACTOR shall take timely, reasonable, and
necessary action to protect and preserve property in the possession of the CONTRACTOR in which the STATE has an interest.

c. **Compensation.** Payment for completed goods and services delivered and accepted by the STATE shall be at the price set forth in the Contract. Payment for the protection and preservation of property shall be in an amount agreed upon by the CONTRACTOR and the Agency procurement officer. If the parties fail to agree, the Agency procurement officer shall set an amount subject to the CONTRACTOR's rights under chapter 3-126, HAR. The STATE may withhold from amounts due the CONTRACTOR such sums as the Agency procurement officer deems to be necessary to protect the STATE against loss because of outstanding liens or claims and to reimburse the STATE for the excess costs expected to be incurred by the STATE in procuring similar goods and services.

d. **Excuse for nonperformance or delayed performance.** The CONTRACTOR shall not be in default by reason of any failure in performance of this Contract in accordance with its terms, including any failure by the CONTRACTOR to make progress in the prosecution of the performance hereunder which endangers such performance, if the CONTRACTOR has notified the Agency procurement officer within fifteen (15) days after the cause of the delay and the failure arises out of causes such as: acts of God; acts of a public enemy; acts of the State and any other governmental body in its sovereign or contractual capacity; fires; floods; epidemics; quarantine restrictions; strikes or other labor disputes; freight embargoes; or unusually severe weather. If the failure to perform is caused by the failure of a subcontractor to perform or to make progress, and if such failure arises out of causes similar to those set forth above, the CONTRACTOR shall not be deemed to be in default, unless the goods and services to be furnished by the subcontractor were reasonably obtainable from other sources in sufficient time to permit the CONTRACTOR to meet the requirements of the Contract. Upon request of the CONTRACTOR, the Agency procurement officer shall ascertain the facts and extent of such failure, and, if such officer determines that any failure to perform was occasioned by any one or more of the excusable causes, and that, but for the excusable cause, the CONTRACTOR's progress and performance would have met the terms of the Contract, the delivery schedule shall be revised accordingly, subject to the rights of the STATE under this Contract. As used in this paragraph, the term "subcontractor" means subcontractor at any tier.

e. **Erroneous termination for default.** If, after notice of termination of the CONTRACTOR's right to proceed under this paragraph, it is determined for any reason that the CONTRACTOR was not in default under this paragraph, or that the delay was excusable under the provisions of subparagraph 13d, "Excuse for nonperformance or delayed performance," the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to paragraph 14.

f. **Additional rights and remedies.** The rights and remedies provided in this paragraph are in addition to any other rights and remedies provided by law or under this Contract.

14. **Termination for Convenience.**

a. **Termination.** The Agency procurement officer may, when the interests of the STATE so require, terminate this Contract in whole or in part, for the convenience of the STATE. The Agency procurement officer shall give written notice of the termination to the CONTRACTOR specifying the part of the Contract terminated and when termination becomes effective.

b. **CONTRACTOR’s obligations.** The CONTRACTOR shall incur no further obligations in connection with the terminated performance and on the date(s) set in the notice of termination the CONTRACTOR will stop performance to the extent specified. The CONTRACTOR shall also terminate outstanding orders and subcontracts as they relate to the terminated performance. The CONTRACTOR shall settle the liabilities and claims arising out of the termination of subcontracts and orders connected with the terminated performance subject to the STATE's approval. The Agency procurement officer may direct the CONTRACTOR to assign the CONTRACTOR's right, title, and interest under terminated orders or subcontracts to the STATE. The CONTRACTOR must still complete the performance not terminated by the notice of termination and may incur obligations as necessary to do so.
c. Right to goods and work product. The Agency procurement officer may require the CONTRACTOR to transfer title and deliver to the STATE in the manner and to the extent directed by the Agency procurement officer:

(1) Any completed goods or work product; and

(2) The partially completed goods and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights (hereinafter called "manufacturing material") as the CONTRACTOR has specifically produced or specially acquired for the performance of the terminated part of this Contract.

The CONTRACTOR shall, upon direction of the Agency procurement officer, protect and preserve property in the possession of the CONTRACTOR in which the STATE has an interest. If the Agency procurement officer does not exercise this right, the CONTRACTOR shall use best efforts to sell such goods and manufacturing materials. Use of this paragraph in no way implies that the STATE has breached the Contract by exercise of the termination for convenience provision.

d. Compensation.

(1) The CONTRACTOR shall submit a termination claim specifying the amounts due because of the termination for convenience together with the cost or pricing data, submitted to the extent required by chapter 3-122, HAR, bearing on such claim. If the CONTRACTOR fails to file a termination claim within one year from the effective date of termination, the Agency procurement officer may pay the CONTRACTOR, if at all, an amount set in accordance with subparagraph 14d(3) below.

(2) The Agency procurement officer and the CONTRACTOR may agree to a settlement provided the CONTRACTOR has filed a termination claim supported by cost or pricing data submitted as required and that the settlement does not exceed the total Contract price plus settlement costs reduced by payments previously made by the STATE, the proceeds of any sales of goods and manufacturing materials under subparagraph 14c, and the Contract price of the performance not terminated.

(3) Absent complete agreement under subparagraph 14d(2) the Agency procurement officer shall pay the CONTRACTOR the following amounts, provided payments agreed to under subparagraph 14d(2) shall not duplicate payments under this subparagraph for the following:

(A) Contract prices for goods or services accepted under the Contract;

(B) Costs incurred in preparing to perform and performing the terminated portion of the performance plus a fair and reasonable profit on such portion of the performance, such profit shall not include anticipatory profit or consequential damages, less amounts paid or to be paid for accepted goods or services; provided, however, that if it appears that the CONTRACTOR would have sustained a loss if the entire Contract would have been completed, no profit shall be allowed or included and the amount of compensation shall be reduced to reflect the anticipated rate of loss;

(C) Costs of settling and paying claims arising out of the termination of subcontracts or orders pursuant to subparagraph 14b. These costs must not include costs paid in accordance with subparagraph 14d(3)(B);

(D) The reasonable settlement costs of the CONTRACTOR, including accounting, legal, clerical, and other expenses reasonably necessary for the preparation of settlement claims and supporting data with respect to the terminated portion of the Contract and for the termination of subcontracts thereunder, together with reasonable storage, transportation, and other costs incurred in connection with the protection or disposition of property allocable to the terminated portion of this Contract. The total sum to be paid the CONTRACTOR under this subparagraph shall not exceed the
total Contract price plus the reasonable settlement costs of the CONTRACTOR reduced by the amount of payments otherwise made, the proceeds of any sales of supplies and manufacturing materials under subparagraph 14d(2), and the contract price of performance not terminated.

(4) Costs claimed, agreed to, or established under subparagraphs 14d(2) and 14d(3) shall be in accordance with Chapter 3-123 (Cost Principles) of the Procurement Rules.

15. Claims Based on the Agency Procurement Officer's Actions or Omissions.

a. Changes in scope. If any action or omission on the part of the Agency procurement officer (which term includes the designee of such officer for purposes of this paragraph 15) requiring performance changes within the scope of the Contract constitutes the basis for a claim by the CONTRACTOR for additional compensation, damages, or an extension of time for completion, the CONTRACTOR shall continue with performance of the Contract in compliance with the directions or orders of such officials, but by so doing, the CONTRACTOR shall not be deemed to have prejudiced any claim for additional compensation, damages, or an extension of time for completion; provided:

(1) Written notice required. The CONTRACTOR shall give written notice to the Agency procurement officer:

(A) Prior to the commencement of the performance involved, if at that time the CONTRACTOR knows of the occurrence of such action or omission;

(B) Within thirty (30) days after the CONTRACTOR knows of the occurrence of such action or omission, if the CONTRACTOR did not have such knowledge prior to the commencement of the performance; or

(C) Within such further time as may be allowed by the Agency procurement officer in writing.

(2) Notice content. This notice shall state that the CONTRACTOR regards the act or omission as a reason which may entitle the CONTRACTOR to additional compensation, damages, or an extension of time. The Agency procurement officer, upon receipt of such notice, may rescind such action, remedy such omission, or take such other steps as may be deemed advisable in the discretion of the Agency procurement officer;

(3) Basis must be explained. The notice required by subparagraph 15a(1) describes as clearly as practicable at the time the reasons why the CONTRACTOR believes that additional compensation, damages, or an extension of time may be remedies to which the CONTRACTOR is entitled; and

(4) Claim must be justified. The CONTRACTOR must maintain and, upon request, make available to the Agency procurement officer within a reasonable time, detailed records to the extent practicable, and other documentation and evidence satisfactory to the STATE, justifying the claimed additional costs or an extension of time in connection with such changes.

b. CONTRACTOR not excused. Nothing herein contained, however, shall excuse the CONTRACTOR from compliance with any rules or laws precluding any state officers and CONTRACTOR from acting in collusion or bad faith in issuing or performing change orders which are clearly not within the scope of the Contract.

c. Price adjustment. Any adjustment in the price made pursuant to this paragraph shall be determined in accordance with the price adjustment provision of this Contract.

16. Costs and Expenses. Any reimbursement due the CONTRACTOR for per diem and transportation expenses under this Contract shall be subject to chapter 3-123 (Cost Principles), HAR, and the following guidelines:
a. Reimbursement for air transportation shall be for actual cost or coach class air fare, whichever is less.

b. Reimbursement for ground transportation costs shall not exceed the actual cost of renting an intermediate-sized vehicle.

c. Unless prior written approval of the HOPA is obtained, reimbursement for subsistence allowance (i.e., hotel and meals, etc.) shall not exceed the applicable daily authorized rates for inter-island or out-of-state travel that are set forth in the current Governor’s Executive Order authorizing adjustments in salaries and benefits for state officers and employees in the executive bargaining branch who are excluded from collective bargaining coverage.

17. Payment Procedures; Final Payment; Tax Clearance.

a. Original invoices required. All payments under this Contract shall be made only upon submission by the CONTRACTOR of original invoices specifying the amount due and certifying that services requested under the Contract have been performed by the CONTRACTOR according to the Contract.

b. Subject to available funds. Such payments are subject to availability of funds and allotment by the Director of Finance in accordance with chapter 37, HRS. Further, all payments shall be made in accordance with and subject to chapter 40, HRS.

c. Prompt payment.

(1) Any money, other than retainage, paid to the CONTRACTOR shall be disbursed to subcontractors within ten (10) days after receipt of the money in accordance with the terms of the subcontract; provided that the subcontractor has met all the terms and conditions of the subcontract and there are no bona fide disputes; and

(2) Upon final payment to the CONTRACTOR, full payment to the subcontractor, including retainage, shall be made within ten (10) days after receipt of the money; provided that there are no bona fide disputes over the subcontractor's performance under the subcontract.

d. Final payment. Final payment under this Contract shall be subject to sections 103-53 and 103D-328, HRS, which require a tax clearance from the Director of Taxation, State of Hawaii, and the Internal Revenue Service, U.S. Department of Treasury, showing that all delinquent taxes, if any, levied or accrued under state law and the Internal Revenue Code of 1986, as amended, against the CONTRACTOR have been paid. Further, in accordance with section 3-122-112, HAR, CONTRACTOR shall provide a certificate affirming that the CONTRACTOR has remained in compliance with all applicable laws as required by this section.

18. Federal Funds. If this Contract is payable in whole or in part from federal funds, CONTRACTOR agrees that, as to the portion of the compensation under this Contract to be payable from federal funds, the CONTRACTOR shall be paid only from such funds received from the federal government, and shall not be paid from any other funds. Failure of the STATE to receive anticipated federal funds shall not be considered a breach by the STATE or an excuse for nonperformance by the CONTRACTOR.


a. In writing. Any modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract permitted by this Contract shall be made by written amendment to this Contract, signed by the CONTRACTOR and the STATE, provided that change orders shall be made in accordance with paragraph 20 herein.

b. No oral modification. No oral modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract shall be permitted.
c. **Agency procurement officer.** By written order, at any time, and without notice to any surety, the Agency procurement officer may unilaterally order of the CONTRACTOR:

(A) Changes in the work within the scope of the Contract; and

(B) Changes in the time of performance of the Contract that do not alter the scope of the Contract work.

d. **Adjustments of price or time for performance.** If any modification increases or decreases the CONTRACTOR'S cost of, or the time required for, performance of any part of the work under this Contract, an adjustment shall be made and this Contract modified in writing accordingly. Any adjustment in contract price made pursuant to this clause shall be determined, where applicable, in accordance with the price adjustment clause of this Contract or as negotiated.

e. **Claim barred after final payment.** No claim by the CONTRACTOR for an adjustment hereunder shall be allowed if written modification of the Contract is not made prior to final payment under this Contract.

f. **Claims not barred.** In the absence of a written contract modification, nothing in this clause shall be deemed to restrict the CONTRACTOR'S right to pursue a claim under this Contract or for a breach of contract.

g. **Head of the purchasing agency approval.** If this is a professional services contract awarded pursuant to section 103D-303 or 103D-304, HRS, any modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract which increases the amount payable to the CONTRACTOR by at least $25,000.00 and ten per cent (10%) or more of the initial contract price, must receive the prior approval of the head of the purchasing agency.

h. **Tax clearance.** The STATE may, at its discretion, require the CONTRACTOR to submit to the STATE, prior to the STATE'S approval of any modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract, a tax clearance from the Director of Taxation, State of Hawaii, and the Internal Revenue Service, U.S. Department of Treasury, showing that all delinquent taxes, if any, levied or accrued under state law and the Internal Revenue Code of 1986, as amended, against the CONTRACTOR have been paid.

i. **Sole source contracts.** Amendments to sole source contracts that would change the original scope of the Contract may only be made with the approval of the CPO. Annual renewal of a sole source contract for services should not be submitted as an amendment.

20. **Change Order.** The Agency procurement officer may, by a written order signed only by the STATE, at any time, and without notice to any surety, and subject to all appropriate adjustments, make changes within the general scope of this Contract in any one or more of the following:

   (1) Drawings, designs, or specifications, if the goods or services to be furnished are to be specially provided to the STATE in accordance therewith;

   (2) Method of delivery; or

   (3) Place of delivery.

a. **Adjustments of price or time for performance.** If any change order increases or decreases the CONTRACTOR'S cost of, or the time required for, performance of any part of the work under this Contract, whether or not changed by the order, an adjustment shall be made and the Contract modified in writing accordingly. Any adjustment in the Contract price made pursuant to this provision shall be determined in accordance with the price adjustment provision of this Contract. Failure of the parties to agree to an adjustment shall not excuse the CONTRACTOR from proceeding with the Contract as changed, provided that the Agency procurement officer promptly and duly makes the provisional adjustments in payment or time for performance as may be reasonable. By
proceeding with the work, the CONTRACTOR shall not be deemed to have prejudiced any claim for additional compensation, or any extension of time for completion.

b. **Time period for claim.** Within ten (10) days after receipt of a written change order under subparagraph 20a, unless the period is extended by the Agency procurement officer in writing, the CONTRACTOR shall respond with a claim for an adjustment. The requirement for a timely written response by CONTRACTOR cannot be waived and shall be a condition precedent to the assertion of a claim.

c. **Claim barred after final payment.** No claim by the CONTRACTOR for an adjustment hereunder shall be allowed if a written response is not given prior to final payment under this Contract.

d. **Other claims not barred.** In the absence of a change order, nothing in this paragraph 20 shall be deemed to restrict the CONTRACTOR'S right to pursue a claim under the Contract or for breach of contract.

21. **Price Adjustment.**

   a. **Price adjustment.** Any adjustment in the contract price pursuant to a provision in this Contract shall be made in one or more of the following ways:

   (1) By agreement on a fixed price adjustment before commencement of the pertinent performance or as soon thereafter as practicable;

   (2) By unit prices specified in the Contract or subsequently agreed upon;

   (3) By the costs attributable to the event or situation covered by the provision, plus appropriate profit or fee, all as specified in the Contract or subsequently agreed upon;

   (4) In such other manner as the parties may mutually agree; or

   (5) In the absence of agreement between the parties, by a unilateral determination by the Agency procurement officer of the costs attributable to the event or situation covered by the provision, plus appropriate profit or fee, all as computed by the Agency procurement officer in accordance with generally accepted accounting principles and applicable sections of chapters 3-123 and 3-126, HAR.

   b. **Submission of cost or pricing data.** The CONTRACTOR shall provide cost or pricing data for any price adjustments subject to the provisions of chapter 3-122, HAR.

22. **Variation in Quantity for Definite Quantity Contracts.** Upon the agreement of the STATE and the CONTRACTOR, the quantity of goods or services, or both, if a definite quantity is specified in this Contract, may be increased by a maximum of ten per cent (10%); provided the unit prices will remain the same except for any price adjustments otherwise applicable; and the Agency procurement officer makes a written determination that such an increase will either be more economical than awarding another contract or that it would not be practical to award another contract.

23. **Changes in Cost-Reimbursement Contract.** If this Contract is a cost-reimbursement contract, the following provisions shall apply:

   a. The Agency procurement officer may at any time by written order, and without notice to the sureties, if any, make changes within the general scope of the Contract in any one or more of the following:

      (1) Description of performance (Attachment 1);

      (2) Time of performance (i.e., hours of the day, days of the week, etc.);

      (3) Place of performance of services;
(4) Drawings, designs, or specifications when the supplies to be furnished are to be specially manufactured for the STATE in accordance with the drawings, designs, or specifications;

(5) Method of shipment or packing of supplies; or

(6) Place of delivery.

b. If any change causes an increase or decrease in the estimated cost of, or the time required for performance of, any part of the performance under this Contract, whether or not changed by the order, or otherwise affects any other terms and conditions of this Contract, the Agency procurement officer shall make an equitable adjustment in the (1) estimated cost, delivery or completion schedule, or both; (2) amount of any fixed fee; and (3) other affected terms and shall modify the Contract accordingly.

c. The CONTRACTOR must assert the CONTRACTOR’S rights to an adjustment under this provision within thirty (30) days from the day of receipt of the written order. However, if the Agency procurement officer decides that the facts justify it, the Agency procurement officer may receive and act upon a proposal submitted before final payment under the Contract.

d. Failure to agree to any adjustment shall be a dispute under paragraph 11 of this Contract. However, nothing in this provision shall excuse the CONTRACTOR from proceeding with the Contract as changed.

e. Notwithstanding the terms and conditions of subparagraphs 23a and 23b, the estimated cost of this Contract and, if this Contract is incrementally funded, the funds allotted for the performance of this Contract, shall not be increased or considered to be increased except by specific written modification of the Contract indicating the new contract estimated cost and, if this contract is incrementally funded, the new amount allotted to the contract.


a. All material given to or made available to the CONTRACTOR by virtue of this Contract, which is identified as proprietary or confidential information, will be safeguarded by the CONTRACTOR and shall not be disclosed to any individual or organization without the prior written approval of the STATE.

b. All information, data, or other material provided by the CONTRACTOR to the STATE shall be subject to the Uniform Information Practices Act, chapter 92F, HRS.

25. Publicity. The CONTRACTOR shall not refer to the STATE, or any office, agency, or officer thereof, or any state employee, including the HOPA, the CPO, the Agency procurement officer, or to the services or goods, or both, provided under this Contract, in any of the CONTRACTOR’S brochures, advertisements, or other publicity of the CONTRACTOR. All media contacts with the CONTRACTOR about the subject matter of this Contract shall be referred to the Agency procurement officer.

26. Ownership Rights and Copyright. The STATE shall have complete ownership of all material, both finished and unfinished, which is developed, prepared, assembled, or conceived by the CONTRACTOR pursuant to this Contract, and all such material shall be considered “works made for hire.” All such material shall be delivered to the STATE upon expiration or termination of this Contract. The STATE, in its sole discretion, shall have the exclusive right to copyright any product, concept, or material developed, prepared, assembled, or conceived by the CONTRACTOR pursuant to this Contract.

27. Liens and Warranties. Goods provided under this Contract shall be provided free of all liens and provided together with all applicable warranties, or with the warranties described in the Contract documents, whichever are greater.
28. **Audit of Books and Records of the CONTRACTOR.** The STATE may, at reasonable times and places, audit the books and records of the CONTRACTOR, prospective contractor, subcontractor, or prospective subcontractor which are related to:

a. The cost or pricing data, and

b. A state contract, including subcontracts, other than a firm fixed-price contract.

29. **Cost or Pricing Data.** Cost or pricing data must be submitted to the Agency procurement officer and timely certified as accurate for contracts over $100,000 unless the contract is for a multiple-term or as otherwise specified by the Agency procurement officer. Unless otherwise required by the Agency procurement officer, cost or pricing data submission is not required for contracts awarded pursuant to competitive sealed bid procedures.

If certified cost or pricing data are subsequently found to have been inaccurate, incomplete, or noncurrent as of the date stated in the certificate, the STATE is entitled to an adjustment of the contract price, including profit or fee, to exclude any significant sum by which the price, including profit or fee, was increased because of the defective data. It is presumed that overstated cost or pricing data increased the contract price in the amount of the defect plus related overhead and profit or fee. Therefore, unless there is a clear indication that the defective data was not used or relied upon, the price will be reduced in such amount.

30. **Audit of Cost or Pricing Data.** When cost or pricing principles are applicable, the STATE may require an audit of cost or pricing data.

31. **Records Retention.**

1. Upon any termination of this Contract or as otherwise required by applicable law, CONTRACTOR shall, pursuant to chapter 487R, HRS, destroy all copies (paper or electronic form) of personal information received from the STATE.

2. The CONTRACTOR and any subcontractors shall maintain the files, books, and records that relate to the Contract, including any personal information created or received by the CONTRACTOR on behalf of the STATE, and any cost or pricing data, for at least three (3) years after the date of final payment under the Contract. The personal information shall continue to be confidential and shall only be disclosed as permitted or required by law. After the three (3) year, or longer retention period as required by law has ended, the files, books, and records that contain personal information shall be destroyed pursuant to chapter 487R, HRS or returned to the STATE at the request of the STATE.

32. **Antitrust Claims.** The STATE and the CONTRACTOR recognize that in actual economic practice, overcharges resulting from antitrust violations are in fact usually borne by the purchaser. Therefore, the CONTRACTOR hereby assigns to STATE any and all claims for overcharges as to goods and materials purchased in connection with this Contract, except as to overcharges which result from violations commencing after the price is established under this Contract and which are not passed on to the STATE under an escalation clause.

33. **Patented Articles.** The CONTRACTOR shall defend, indemnify, and hold harmless the STATE, and its officers, employees, and agents from and against all liability, loss, damage, cost, and expense, including all attorneys fees, and all claims, suits, and demands arising out of or resulting from any claims, demands, or actions by the patent holder for infringement or other improper or unauthorized use of any patented article, patented process, or patented appliance in connection with this Contract. The CONTRACTOR shall be solely responsible for correcting or curing to the satisfaction of the STATE any such infringement or improper or unauthorized use, including, without limitation: (a) furnishing at no cost to the STATE a substitute article, process, or appliance acceptable to the STATE, (b) paying royalties or other required payments to the patent holder, (c) obtaining proper authorizations or releases from the patent holder, and (d) furnishing such security to or making such arrangements with the patent holder as may be necessary to correct or cure any such infringement or improper or unauthorized use.
34. **Governing Law.** The validity of this Contract and any of its terms or provisions, as well as the rights and duties of the parties to this Contract, shall be governed by the laws of the State of Hawaii. Any action at law or in equity to enforce or interpret the provisions of this Contract shall be brought in a state court of competent jurisdiction in Honolulu, Hawaii.

35. **Compliance with Laws.** The CONTRACTOR shall comply with all federal, state, and county laws, ordinances, codes, rules, and regulations, as the same may be amended from time to time, that in any way affect the CONTRACTOR’S performance of this Contract.

36. **Conflict Between General Conditions and Procurement Rules.** In the event of a conflict between the General Conditions and the procurement rules, the procurement rules in effect on the date this Contract became effective shall control and are hereby incorporated by reference.

37. **Entire Contract.** This Contract sets forth all of the agreements, conditions, understandings, promises, warranties, and representations between the STATE and the CONTRACTOR relative to this Contract. This Contract supersedes all prior agreements, conditions, understandings, promises, warranties, and representations, which shall have no further force or effect. There are no agreements, conditions, understandings, promises, warranties, or representations, oral or written, express or implied, between the STATE and the CONTRACTOR other than as set forth or as referred to herein.

38. **Severability.** In the event that any provision of this Contract is declared invalid or unenforceable by a court, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining terms of this Contract.

39. **Waiver.** The failure of the STATE to insist upon the strict compliance with any term, provision, or condition of this Contract shall not constitute or be deemed to constitute a waiver or relinquishment of the STATE’S right to enforce the same in accordance with this Contract. The fact that the STATE specifically refers to one provision of the procurement rules or one section of the Hawaii Revised Statutes, and does not include other provisions or statutory sections in this Contract shall not constitute a waiver or relinquishment of the STATE’S rights or the CONTRACTOR’S obligations under the procurement rules or statutes.

40. **Pollution Control.** If during the performance of this Contract, the CONTRACTOR encounters a “release” or a “threatened release” of a reportable quantity of a "hazardous substance," "pollutant," or "contaminant" as those terms are defined in section 128D-1, HRS, the CONTRACTOR shall immediately notify the STATE and all other appropriate state, county, or federal agencies as required by law. The Contractor shall take all necessary actions, including stopping work, to avoid causing, contributing to, or making worse a release of a hazardous substance, pollutant, or contaminant, and shall promptly obey any orders the Environmental Protection Agency or the state Department of Health issues in response to the release. In the event there is an ensuing cease-work period, and the STATE determines that this Contract requires an adjustment of the time for performance, the Contract shall be modified in writing accordingly.

41. **Campaign Contributions.** The CONTRACTOR is hereby notified of the applicability of 11-355, HRS, which states that campaign contributions are prohibited from specified state or county government contractors during the terms of their contracts if the contractors are paid with funds appropriated by a legislative body.

42. **Confidentiality of Personal Information.**

   a. **Definitions.**

   "Personal information" means an individual's first name or first initial and last name in combination with any one or more of the following data elements, when either name or data elements are not encrypted:

   (1) Social security number;

   (2) Driver's license number or Hawaii identification card number, or
(3) Account number, credit or debit card number, access code, or password that would permit access to an individual's financial information.

Personal information does not include publicly available information that is lawfully made available to the general public from federal, state, or local government records.

"Technological safeguards" means the technology and the policy and procedures for use of the technology to protect and control access to personal information.

b. Confidentiality of Material.

(1) All material given to or made available to the CONTRACTOR by the STATE by virtue of this Contract which is identified as personal information, shall be safeguarded by the CONTRACTOR and shall not be disclosed without the prior written approval of the STATE.

(2) CONTRACTOR agrees not to retain, use, or disclose personal information for any purpose other than as permitted or required by this Contract.

(3) CONTRACTOR agrees to implement appropriate "technological safeguards" that are acceptable to the STATE to reduce the risk of unauthorized access to personal information.

(4) CONTRACTOR shall report to the STATE in a prompt and complete manner any security breaches involving personal information.

(5) CONTRACTOR agrees to mitigate, to the extent practicable, any harmful effect that is known to CONTRACTOR because of a use or disclosure of personal information by CONTRACTOR in violation of the requirements of this paragraph.

(6) CONTRACTOR shall complete and retain a log of all disclosures made of personal information received from the STATE, or personal information created or received by CONTRACTOR on behalf of the STATE.

c. Security Awareness Training and Confidentiality Agreements.

(1) CONTRACTOR certifies that all of its employees who will have access to the personal information have completed training on security awareness topics relating to protecting personal information.

(2) CONTRACTOR certifies that confidentiality agreements have been signed by all of its employees who will have access to the personal information acknowledging that:

(A) The personal information collected, used, or maintained by the CONTRACTOR will be treated as confidential;

(B) Access to the personal information will be allowed only as necessary to perform the Contract; and

(C) Use of the personal information will be restricted to uses consistent with the services subject to this Contract.

d. Termination for Cause. In addition to any other remedies provided for by this Contract, if the STATE learns of a material breach by CONTRACTOR of this paragraph by CONTRACTOR, the STATE may at its sole discretion:
(1) Provide an opportunity for the CONTRACTOR to cure the breach or end the violation; or

(2) Immediately terminate this Contract.

In either instance, the CONTRACTOR and the STATE shall follow chapter 487N, HRS, with respect to notification of a security breach of personal information.

e. Records Retention.

(1) Upon any termination of this Contract or as otherwise required by applicable law, CONTRACTOR shall, pursuant to chapter 487R, HRS, destroy all copies (paper or electronic form) of personal information received from the STATE.

(2) The CONTRACTOR and any subcontractors shall maintain the files, books, and records that relate to the Contract, including any personal information created or received by the CONTRACTOR on behalf of the STATE, and any cost or pricing data, for at least three (3) years after the date of final payment under the Contract. The personal information shall continue to be confidential and shall only be disclosed as permitted or required by law. After the three (3) year, or longer retention period as required by law has ended, the files, books, and records that contain personal information shall be destroyed pursuant to chapter 487R, HRS or returned to the STATE at the request of the STATE.
EXHIBIT J

APPROVED CONTRACTORS

The following General Contractor and Contractors are approved by the Authority, subject to Section 3.1(F) of the School Street Redevelopment Master Development Agreement:

- Avalon Development Company, LLC (HPHA Office Development Consultant)
- Design Partners Incorporated (Architect and Land Planning)
- Concordia (Community Outreach)
- Imata & Associates, Inc. (Civil Engineering)
- PBR Hawaii & Associates, Inc. (Landscape Architect)
This page intentionally left blank.
Section 3:
Environmental Disclosure
This page intentionally left blank.
The Final EIS (FEIS) was accepted by the Governor on July 17, 2018 and published on August 8, 2018. A copy of the acceptance letter is included in this section, and is also available online: http://oeqc2.doh.hawaii.gov/EA_EIS_Library/2018-08-08-OA-FEIS-Acceptance-HPHA-Administrative-Offices-Redevelopment.pdf


The FEIS Appendices are also available online: http://oeqc2.doh.hawaii.gov/EA_EIS_Library/2018-05-08-OA-FEIS-HPHA-Administrative-Offices-Redevelopment-Appendices.pdf

Two (2) CDs containing PDFs of the FEIS and its Appendices are enclosed with this 201H Determination of Eligibility packet.
This page intentionally left blank.
July 17, 2018

Hakim Ouansafi, Executive Director
Hawai‘i Public Housing Authority
State of Hawai‘i
1002 N. School Street
Honolulu, Hawai‘i 96817

Dear Mr. Ouansafi:

Subject: Acceptance of the Hawai‘i Public Housing Authority Administrative Offices Redevelopment Final Environmental Impact Statement

I hereby accept the Final Environmental Impact Statement for the Hawai‘i Public Housing Authority Administrative Offices Redevelopment, as satisfactory fulfillment of the requirements of Chapter 343, Hawai‘i Revised Statutes. The economic, social, cultural, and environmental impacts that will likely occur, should this project be implemented, are adequately described in the statement. The analysis, together with the comments made by reviewers, provide useful information to policy makers and the public.

My acceptance of the statement is an affirmation of the adequacy of that statement under the applicable laws. I find that the mitigation measures proposed in the environmental impact statement will minimize the negative impacts of the project. Further, I find the discussion of unresolved issues and potential for subsequent environmental review to be sufficient.

In implementing this project, I direct the Hawai‘i Public Housing Authority and its agent to perform these or comparable mitigation measures at the discretion of the relevant agencies. The mitigation measures identified in the environmental impact statement are summarized in the attached document.

With warmest regards,

[Signature]

David Y. Ige
Governor, State of Hawai‘i

Attachment: Mitigation Measures Summary

c: Office of Environmental Quality Control

19-046
<table>
<thead>
<tr>
<th>Project Name:</th>
<th>Hawaii Public Housing Authority Administrative Offices Redevelopment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Short Name:</td>
<td>HPHA Administrative Offices Redevelopment</td>
</tr>
<tr>
<td>HRS §343-5 Trigger(s):</td>
<td>Use of State or County lands and funds.</td>
</tr>
<tr>
<td>Island(s):</td>
<td>O'ahu</td>
</tr>
<tr>
<td>Judicial District(s):</td>
<td>Honolulu</td>
</tr>
<tr>
<td>TMK(s):</td>
<td>1-6-009:003 (por.)</td>
</tr>
<tr>
<td>Permit(s)/Approval(s):</td>
<td>Rezoning or 201H, HRS</td>
</tr>
<tr>
<td></td>
<td>Zoning Waiver (if not Rezoning or 201H, HRS)</td>
</tr>
<tr>
<td></td>
<td>Grubbing, Grading, and Stockpiling Permit;</td>
</tr>
<tr>
<td></td>
<td>Building Permit for Building, Electrical, Plumbing, Water, Sidewalk/Driveway and Demolition work;</td>
</tr>
<tr>
<td></td>
<td>Sewer Connection Permits;</td>
</tr>
<tr>
<td></td>
<td>Street Usage Permit;</td>
</tr>
<tr>
<td></td>
<td>National Pollutant Dishcharge Elimination System (NPDES) Permit;</td>
</tr>
<tr>
<td></td>
<td>Noise Permit;</td>
</tr>
<tr>
<td></td>
<td>Historic Site Review</td>
</tr>
<tr>
<td>Proposing/Determining Agency:</td>
<td>Hawaii Public Housing Authority (HPHA)</td>
</tr>
<tr>
<td>Contact Name, Email, Telephone, Address</td>
<td>Mr. Hakim Ouansafi, Executive Director</td>
</tr>
<tr>
<td></td>
<td>Email: <a href="mailto:Hakim.Ouansafi@hawaii.gov">Hakim.Ouansafi@hawaii.gov</a></td>
</tr>
<tr>
<td></td>
<td>Telephone: (808) 832-4682</td>
</tr>
<tr>
<td></td>
<td>Hawaii Public Housing Authority (HPHA)</td>
</tr>
<tr>
<td></td>
<td>1002 N. School Street</td>
</tr>
<tr>
<td></td>
<td>Honolulu, HI 96817</td>
</tr>
<tr>
<td>Accepting Authority:</td>
<td>Governor, State of Hawai‘i</td>
</tr>
<tr>
<td>Contact Name, Email, Telephone, Address</td>
<td>The Honorable David Y. Ige</td>
</tr>
<tr>
<td></td>
<td>Email: <a href="http://governor.hawaii.gov/contact-us/contact-the-governor/">http://governor.hawaii.gov/contact-us/contact-the-governor/</a></td>
</tr>
<tr>
<td></td>
<td>Telephone: (808) 586-0034</td>
</tr>
<tr>
<td></td>
<td>Governor, State of Hawai‘i</td>
</tr>
<tr>
<td></td>
<td>Executive Chambers, State Capitol</td>
</tr>
<tr>
<td></td>
<td>415 South Beretania Street</td>
</tr>
<tr>
<td></td>
<td>Honolulu, Hawai‘i 96813</td>
</tr>
<tr>
<td>Consultant:</td>
<td>PBR HAWAII &amp; ASSOCIATES, Inc.</td>
</tr>
<tr>
<td>Contact Name, Email, Telephone, Address</td>
<td>Mr. Greg Nakai, Planner</td>
</tr>
<tr>
<td></td>
<td>Email: <a href="mailto:HPHAschoolstreet@pbrhawaii.com">HPHAschoolstreet@pbrhawaii.com</a></td>
</tr>
<tr>
<td></td>
<td>Telephone: (808) 521-5631</td>
</tr>
<tr>
<td></td>
<td>Fax: (808) 523-1402</td>
</tr>
<tr>
<td></td>
<td>PBR HAWAII &amp; Associates, Inc.</td>
</tr>
<tr>
<td></td>
<td>1001 Bishop Street, Suite 650</td>
</tr>
<tr>
<td></td>
<td>Honolulu, Hawai‘i 96813</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Status (select one)</th>
<th>Submittal Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>____ DEA-AFNSI</td>
<td>Submit 1) the proposing agency notice of determination/transmittal letter on agency letterhead, 2) this completed OEQC publication form as a Word file, 3) a hard copy of the DEA, and 4) a searchable PDF of the DEA; a 30-day comment period follows from the date of publication in the Notice.</td>
</tr>
<tr>
<td>____ FEA-FONSI</td>
<td>Submit 1) the proposing agency notice of determination/transmittal letter on agency letterhead, 2) this completed OEQC publication form as a Word file, 3) a hard copy of the FEA, and 4) a searchable PDF of the FEA; no comment period follows from publication in the Notice.</td>
</tr>
</tbody>
</table>
Submit 1) the proposing agency notice of determination/transmittal letter on agency letterhead, 2) this completed OEQC publication form as a Word file, 3) a hard copy of the FEA, and 4) a searchable PDF of the FEA; a 30-day comment period follows from the date of publication in the Notice.

Submit 1) the proposing agency notice of determination letter on agency letterhead and 2) this completed OEQC publication form as a Word file; no EA is required and a 30-day comment period follows from the date of publication in the Notice.

Submit 1) a transmittal letter to the OEQC and to the accepting authority, 2) this completed OEQC publication form as a Word file, 3) a hard copy of the DEIS, 4) a searchable PDF of the DEIS, and 5) a searchable PDF of the distribution list; a 45-day comment period follows from the date of publication in the Notice.

Submit 1) a transmittal letter to the OEQC and to the accepting authority, 2) this completed OEQC publication form as a Word file, 3) a hard copy of the FEIS, 4) a searchable PDF of the FEIS, and 5) a searchable PDF of the distribution list; no comment period follows from publication in the Notice.

The accepting authority simultaneously transmits to both the OEQC and the proposing agency a letter of its determination of acceptance or non-acceptance (pursuant to Section 11-200-23, HAR) of the FEIS; no comment period ensues upon publication in the Notice.

Timely statutory acceptance of the FEIS under Section 343-5(c), HRS, is not applicable to agency actions.

The accepting authority simultaneously transmits its notice to both the proposing agency and the OEQC that it has reviewed (pursuant to Section 11-200-27, HAR) the previously accepted FEIS and determines that a supplemental EIS is or is not required; no EA is required and no comment period ensues upon publication in the Notice.

Identify the specific document(s) to withdraw and explain in the project summary section.

Contact the OEQC if your action is not one of the above items.

Project Summary
Provide a description of the proposed action and purpose and need in 200 words or less.

Hawaii Public Housing Authority (HPHA) has partnered with Retirement Housing Foundation to redevelop a portion of its property into a mixed-use community to increase the amount of affordable housing provided in this bus transit-available neighborhood. The project proposes the replacement of the existing HPHA administrative offices with a new HPHA administrative office building; 800 affordable senior rental apartments; commercial and/or community space; vehicular access; parking; open spaces and new landscaping.

The use of State lands and funds triggers Chapter 343, HRS compliance, requiring either an Environmental Assessment or an Environmental Impact Statement (EIS). Based on the significance criteria set forth under HAR Section 11-200-12(b), HPHA determined that the preparation of an EIS is required and published an EIS preparation notice (EISPN), as allowed under Act 172-12, in August 2017, and published a Draft EIS in January 2018. This Final EIS includes comments received from the public EIS scoping meeting, the 30-day public comment period following the EISPN publication, and the 45-day public comment period following the Draft EIS publication. This Final EIS intends to assess both short-term and long-term potential impacts of the proposed redevelopment as well as include a discussion of reasonable development alternatives to the proposed action.
This summary memorializes the mitigation measures proposed and accepted in the Final Environmental Impact Statement (FEIS) for the Hawai‘i Public Housing Authority (HPHA) to implement for the HPHA Administrative Offices Redevelopment.

The following is extracted from the FEIS of the mitigation measures provided in Chapter 4, Natural Physical Environmental (pages 4-1 through 4-14) and Chapter 5, Human Environment (pages 5-1 through 5-59).

CLIMATE
The Proposed Project is not expected to have a significant effect on general regional climatic conditions. However, micro-climatic effects at the property and surrounding vicinity, such as temperature and wind changes may occur. With regard to temperature, any heat island effects that may arise with the intensification of development onsite will be mitigated with proposed landscaping and the use of lighter colors on new pavement and buildings, which reflect rather than absorb heat.

Other design considerations include new street trees, rooftop gardens, and landscaped recreational decks. As detailed designs for the buildings are developed, wind studies should be performed on the proposed designs to determine if there are any impacts to surrounding properties or internally at outdoor recreational spaces. Adjustments to the structures early in the design phase should be done to mitigate any wind impacts.

GEOLOGY AND TOPOGRAPHY
During the EISPNE Public Review period, the State Department of Accounting and General Services wrote:

"...There is ground settlement in the area and an underground stream. A soil survey and groundwater survey should be performed due to the geology of the site. Effects of new construction, including construction vibrations and changes to the underground hydraulic flow, should be addressed."

Prior to the design of any new structures, geotechnical studies will be conducted. The site already has been extensively modified by improvements related to the existing administrative offices and base yard facilities. The proposed redevelopment will occur over nearly all the office, base yard and parking portions of the property resulting in grading and land disturbance. However, the development will not adversely impact the topographic nature of the property relative to the surrounding lands for the following reasons:

1. The finish grade elevations will be fairly like the current existing grade on the site.
2. The project does not include Puahala Homes and will not disturb any grading that will affect Puahala homes.
SOILS
Any grading will follow Best Management Practices (BMPs). The site development and earth disturbance will be limited to surface soils. All grading operations will be conducted in full compliance with dust, erosion control and other requirements of the City and County of Honolulu Grading Ordinance. All construction activities will comply with the provisions of Chapter 11-60.1, Hawai‘i Administrative Rules (HAR), on fugitive dust.

During the construction phases of the Proposed Project, dust generation is anticipated, and there is a potential for water-borne soil erosion. Construction activities will follow strict erosion control measures specified by applicable State and City regulations. Before issuance of a grading permit by the City and County of Honolulu, an erosion control plan and best management practices will be submitted describing the implementation of appropriate erosion control measures. Also, a watering program will be implemented to minimize soil loss through fugitive dust emissions during construction. After construction, establishment of permanent landscaping will serve as long-term erosion control for unpaved areas with underground catchment proposed for storm water control. A National Pollutant Discharge Elimination System (NPDES) permit for Storm Water Associated with Construction Activity will be necessary since the entire site will be developed and it is roughly 6 acres in size, and each development phase is anticipated to exceed an acre.

WATER
Water demands and calculations will be provided to the State DLNR Engineering Division. No impacts to groundwater resources are expected from activities associated with the redevelopment. Also, no injection wells are proposed for the Proposed Project. During the EISPN public review period, the City and County of Honolulu Board of Water Supply (BWS) initially commented that the existing water system is presently adequate to accommodate the Proposed Project, which will draw water from an existing network of groundwater wells. A request for service was later submitted by the project engineers for the 1,000 multifamily units and 10,000 SF of commercial uses to which BWS responded that the existing water system would be adequate but subject to availability when the building permits are reviewed.

Water conservation measures will be implemented wherever possible as a part of the Proposed Project’s sustainable design priorities including but not limited to the installation of low flow or ultra-low flow faucets and fixtures, rainwater catchment and reuse, use of non-potable water for landscape irrigation, and automated irrigation systems with moisture sensors to prevent overwatering.

NEAR SHORE WATER QUALITY
Mitigation measures will be taken to avoid any potential impacts from on-site activities during construction as well as storm water runoff from land-based pollutants. To prevent indirect or cumulative impacts on nearshore marine resources, BMPs will be implemented during and after construction to prevent erosion from the Project Site from entering storm drains and the long-term build-up of sediments. Under the ‘Clean Water Act,’ a Section 401 Water Quality Certification from the State Department of Health, Clean Water Branch will be obtained if it is determined that the Project may result in any discharge into navigable waters or as otherwise triggered.

Compliance with City's newly adopted "Rules Relating to Water Quality" and LID measures as discussed in Sections 4.4.2 and 5.9.3 will also mitigate potential impacts to nearshore marine resources.
Additional measures may include garbage enclosures to prevent leakage or runoff into storm water drainage areas and the installation of rain gardens and bioswales within landscaped areas to help capture potential pollutants before entering the Proposed Project's drainage system.

**NATURAL HAZARDS**

Sea level rise of one meter is not anticipated to have significant, immediate impacts to flooding at the Project Site. However, adaptation and resiliency measures should be considered for improving the safety of future residents and longevity of the proposed facilities, landscaped areas, and essential infrastructure serving the Proposed Project such as water, sewer, electrical, drainage, and roadways as secondary impacts from global climate change such as extreme weather events or worsening SLR may still impact the Proposed Project. The Proposed Project is most at risk of damage from extreme weather events and the loss of service of critical infrastructure. The Proposed Project including all structures, landscaping, and vital infrastructure should be designed to withstand water inundation and extreme weather events wherever feasible. Essential equipment will also be located on higher floors wherever feasible. Consideration will also be given to some of the strategies recommended by the U.S. Army Corps of Engineers (USACE, 2014) such as:

- Upgrades and strengthening of existing structures;
- Construction of structures to be flood-proof; and
- Upgrades and modifications of infrastructure (e.g., prevention of backflows to wastewater or drainage utilities caused by an inundation of sea water).

**FAUNA**

The Proposed Project is not expected to significantly affect any federal or State of Hawai’i listed Threatened, Endangered, or Candidate wildlife species or their habitats, nor will it impact any critical habitats. To minimize threats to native seabirds such as Hawaiian petrels and Newell’s shearwaters that may fly over the project, outdoor lighting will be fully shielded and downward facing. Also, floodlighting will not be permitted except for emergencies, and no nighttime construction work is expected to occur.

**ARCHAEOLOGY**

Given the findings of the current study coupled with the previous DLNR-SHPD/SHPO determination, it is believed that the proposed redevelopment project in the current Project Site will have no effect on archaeological resources. In the unlikely event that any potential such resources or human skeletal remains are encountered during ground-disturbing work in the Project Site, work near the discovery will be immediately halted, and DLNR-SHPD contacted as outlined in Section 13-275-12, HAR.

**AIR QUALITY**

All proposed activities must comply with Section 11-60, HAR. Potential air quality impacts involve two sources: (1) temporary construction impacts; and (2) ongoing impacts generated primarily from traffic, any onsite mechanical equipment, and indirectly via offsite electricity generation.

A potential impact due to construction activities would include fugitive dust emissions throughout the six-acre site.
Mitigation measures include:

- The construction contractor will be required to use water or suitable chemicals to control fugitive dust in the demolition of any existing buildings or structures, construction operations, the grading of roads, or the clearing of land.
- The construction contractor will be required to apply asphalt, water, or suitable chemicals on roads, material stockpiles, and other surfaces which may result in fugitive dust.
- The construction contractor will be required to cover all moving, open-bodied trucks transporting materials which may result in fugitive dust.
- The construction contractor will be required to maintain roadways in a clean manner.
- The construction contractor will be required to promptly remove earth or other materials from paved streets which have been transported there by trucking, earth-moving equipment, erosion or other means.
- Pollutant exposure to residences during construction activities will be mitigated in the following manner:
  - Staging areas shall be located away from on-site residential land uses.
  - On-site electricity shall be obtained from the electrical grid rather than temporary diesel or gasoline generators.
  - Equipment and vehicle engines shall be maintained in good condition and in proper tune per manufacturers’ specifications.
  - All construction equipment and delivery vehicles shall be turned off when not in use or prohibited from idling more than five minutes. Haul trucks waiting to be called to remove soil from the Project Site shall not be allowed to idle while queuing.
  - Additional care will be taken by contractors to minimize fugitive dust from materials being hauled to or away from the Project Site and mud and debris tracked onto adjacent roadways.

TRANSPORTATION AND CIRCULATION

Short-term traffic impacts will result during construction for both onsite and offsite improvements. Traffic may be impacted when materials and equipment are transported to the site. Coordination with State and City roadway officials will be done in advance of any construction and will include a traffic management plan for each phase of the construction. It will detail any road or lane closures and potential impacts to any of the bus stops should they be required. The construction team will work closely with the State and City on appropriate solutions to mitigate those impacts. Appendix N of the Final EIS contains a draft Construction Management Report.

INFRASTRUCTURE

New water facilities are expected to include project-specific water system features for domestic and fire prevention services such as water mains, laterals, fire hydrants, and booster pumps. To minimize the amount of drinking water required to serve the project, as required by the BWS, all efforts will be made to include water reducing design elements into the proposed project such as low flow and ultra-low flow fixtures, automated irrigation systems with moisture sensors to prevent overwatering, and water catchment and reuse for non-potable uses such as irrigation. Landscaping will incorporate native and hardy climate-adapted plants that do not require significant amounts of water wherever possible.
DRAINAGE
Existing runoff from the project site generally flows towards the middle of the Project Site frontage along School Street and conveyed to the City storm drain system through inlets, catch basins and culverts. The Lanakila Avenue and School Street frontages of the project site contain a 10-foot by 5-foot box drain. All runoff ultimately discharges into the Kapālama Canal. To mitigate drainage impacts, the proposed project will be designed to direct storm water runoff away from the buildings and structures toward open grassed or paved areas. Any increase in runoff generated by the proposed project that adversely impacts downstream improvements will be mitigated by retaining the runoff on-site under City storm drainage standards. To mitigate construction runoff, the project (classified under City rules as a Category 5 project for erosion and sediment control) the following will be followed:

1. An erosion and sediment control plan (ESCP) must be prepared by a licensed engineer in the State.
2. An ESCP Coordinator must be designated and shall be responsible for implementing the ESCP at the project site.
3. A National Pollutant Discharge Elimination System (NPDES) Storm water permit shall be obtained from the Department of Health.
4. BMPs for erosion control, sediment control, and good housekeeping as well as a plan for dewatering non-storm water shall be prepared.

ELECTRICAL
Illumination for at-grade roadways will be specified in conformance with Act 287 (2012), the Hawai‘i Night Sky Protection Act, and be designed to minimize glare and provide appropriate illumination levels. Although the Hawaiian Petrel and Newell’s Shearwater were found not to inhabit the project site, all outdoor lighting will be fully-shielded and downward facing to minimize bird fallout.

SOLID WASTE
Best Management Practices for waste disposal will be implemented during construction including every effort to divert materials from landfills that can be reused or recycled as well as minimizing the amount of waste generated. Hazardous substances, pollutants, and contaminants found at the project site will be reported to the Office of Hazard Evaluation and Emergency Response (HEER) to determine the appropriate actions to follow.

After construction, the proposed project will support recycling for both household and commercial uses as well as green waste generated onsite. Detailed design will include but not be limited to onsite facilities to support separating wastes into recyclable and non-recyclable materials and for central collection facilities within the buildings.

POLICE, FIRE, AND MEDICAL
Project designers will continue to work closely with City Police, Fire, and other public service providers and the City and County of Honolulu’s Department of Planning and Permitting during the detailed design of the facilities to ensure that the new structures at the proposed project will be easily accessible by emergency services and are constructed in compliance with all City building codes.
O'AHU COMMUNITY CORRECTIONAL CENTER
Currently, four sites on O'ahu (including the 16-acre Dillingham Boulevard facility, 1.2 miles west of the project site) are being considered as the location of the new community correctional center. If the Dillingham Boulevard facility is selected, it is believed that a new facility would be developed to occupy only about half of the site and the remainder of the site could be redeveloped into other uses.

COMMUNITY AND SOCIAL SERVICES
With the increased senior population onsite, there may be a demand for services that would not be provided by the Retirement Housing Foundation. The Retirement Housing Foundation will continue working with Lanakila and Kalihi area service providers to determine appropriate services for the Proposed Project and develop programs to support that need in order to effectively serve future populations at the Proposed Project.
This page intentionally left blank.
Exhibit 3:
Location Map

Legend

Project Site

HPHA Administrative Offices Redevelopment

Source: City & County of Honolulu, 2019. ESRI Online Basemaps.
Disclaimer: This graphic has been prepared for general planning purposes only and should not be used for boundary interpretations or other spatial analysis.
This page intentionally left blank.
EXHIBIT 4
Preliminary Site Plan & Phasing Site Plan
This page intentionally left blank.
SITE DEVELOPMENT PLAN (PHASES)

HPHA Administrative Offices Redevelopment

Note: All the drawings are conceptual design only; subject to change
This page intentionally left blank.
This page intentionally left blank.
This page intentionally left blank.
Exhibit 6: State Land Use District
HPHA Administrative Offices Redevelopment

Legend
- Project Site
- Tax Map Key Parcels
- State Land Use District
- Urban

Source: State Land Use Commission, 2016; City & County of Honolulu, 2019.
Disclaimer: This graphic has been prepared for general planning purposes only and should not be used for boundary interpretations or other spatial analysis.
This page intentionally left blank.
EXHIBIT 7
City and County Zoning District Map with Height Limits
This page intentionally left blank.
Legend

- Project Site
- Tax Map Key Parcels
- Zoning Height Limits
- Zoning

Zoning
- P-2: General Preservation District
- R-5: Residential District
- R-3.5: Residential District
- A-1: Low-density Apartment District
- A-2: Medium-density Apartment District
- B-2: Community Business District

Exhibit 7:
City & County of Honolulu Zoning
HPHA Administrative Offices Redevelopment

DATE: 2/6/2020

Source: City & County of Honolulu, 2019.
Disclaimer: This graphic has been prepared for general planning purposes only and should not be used for boundary interpretations or other spatial analysis.
EXHIBIT 8
Primary Urban Center Development Plan Land Use Map
This page intentionally left blank.
Legend

Project Site

PUCDP Land Use Map Legend

- Lower-Density Residential
- Medium and Higher-Density Residential/Mixed Use Community/Neighborhood
- Commercial
- District Commercial
- Military
- Preservation

Source: Primary Urban Center Development Plan, 2004. City & County of Honolulu, 2019

Disclaimer: This graphic has been prepared for general planning purposes only and should not be used for boundary interpretations or other spatial analysis.
This page intentionally left blank.
Photo 1: Mauka views of 'Alewa Heights from Sand Island State Recreation Area (approx. 1.75 miles from Project Site).

Photo 2: Mauka views of 'Alewa Heights from Kewalo Basin Harbor largely obstructed by Downtown and Kaka'ako developments (approx. 2.5 miles from Project Site).

Exhibit 9: Significant Panoramic Views
HPHA Administrative Offices Redevelopment
Hawai'i Public Housing Authority
Island of O'ahu

Source: Primary Urban Center Development Plan, City & County of Honolulu, 2004
Date: March 28, 2018
This page intentionally left blank.
OCEAN HORIZON

ORIGINAL DESIGN
(1,000 UNITS / 80% SENIOR & 20% FAMILY)

OCEAN HORIZON

ORIGINAL DESIGN
(800 UNITS / 100% SENIOR)

OCEAN HORIZON

CURRENT DESIGN
(800 UNITS / 100% SENIOR)