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**HAWAII HOUSING FINANCE
AND DEVELOPMENT CORPORATION**

LAND USE COMMISSION
STATE OF HAWAII
2010 JUL - 7 A 11: 21

**BEFORE THE LAND USE COMMISSION
OF THE STATE OF HAWAII**

In the Matter of the Petition of)

HAWAII HOUSING FINANCE AND)
DEVELOPMENT CORPORATION and)
FOREST CITY HAWAII KONA, LLC)

To Amend the Agricultural Land Use District)
Boundaries into the Urban Land Use District)
for certain lands situate at Keahuolu, North)
Kona; consisting of approximately 271.837)
acres, Tax Map Key Nos. (3) 7-4-021:020)
(por.), (3) 7-4-021:024, (3) 7-4-021:025,)
(3) 7-4-021:026, (3) 7-4-021:027)

Docket No. [TBD]

NOTICE OF INTENT TO FILE A LAND
USE DISTRICT BOUNDARY
AMENDMENT PETITION; AFFIDAVIT
OF JENNIFER A. BENCK ATTESTING
TO SERVICE; EXHIBITS A - B;
AFFIDAVIT OF JENNIFER A. BENCK
ATTESTING TO PUBLICATION;
CERTIFICATE OF SERVICE

**NOTICE OF INTENT TO FILE A LAND USE
DISTRICT BOUNDARY AMENDMENT PETITION**

NOTICE IS HEREBY GIVEN that Co-Petitioners HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION, a public body and body corporate and politic of the State of Hawaii ("HHFDC"), and FOREST CITY HAWAII KONA, LLC, a Hawaii limited liability company ("Forest City"), by and through HHFDC'S legal counsel, the ATTORNEY GENERAL, STATE OF HAWAII, and Forest City's legal counsel, CARLSMITH BALL LLP, intend to file a Land Use District Boundary Amendment Petition with the Land Use Commission of the State of Hawaii on September 7, 2010, as provided for in Sections 205-4 and 201H-38, Hawaii Revised Statutes, as amended, and Section 15-15-97(b) of the Hawaii Administrative Rules, Title 15, Subtitle 3, Chapter 15, Subchapter 13, as amended. HHFDC and Forest City shall hereinafter collectively be referred to as "**Petitioner.**"

PETITIONER

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

Forest City Hawaii Kona, LLC
5173 Nimitz Road
Honolulu, Hawaii 96818

PETITIONER'S PROPERTY INTEREST

The subject property is owned in fee by FHT Kamakana, LLC, a Hawaii limited liability company, whose principal place of business is 201 Merchant Street, Suite 2000, Honolulu, Hawaii 96813 ("**FHT**"). Conveyance of the subject property to FHT was subject to all of the covenants and conditions set forth in that certain Development Agreement, Kamakana Villages at Keahuolu, dated March 31, 2009, by and between HHFDC and Forest City.

Pursuant to an executed Fee Owner's Letter of Authorization, FHT has authorized Forest City, HHFDC and the law firm Carlsmith Ball LLP to file and process the Petition for Land Use District Boundary Amendment.

Approximately .700 acres of the subject property will be conveyed to the County of Hawaii. Pursuant to an executed Fee Owner's Letter of Authorization, the County of Hawaii has authorized Forest City, HHFDC and the law firm Carlsmith Ball LLP to file and process the Petition for Land Use District Boundary Amendment.

PROPOSED RECLASSIFICATION

To reclassify the subject property from the State Land Use Agricultural District to the State Land Use Urban District.

TAX MAP KEY NOS.

(3) 7-4-021:020 (por.), (3) 7-4-021:024, (3) 7-4-021:025, (3) 7-4-021:026,

(3) 7-4-021:027

ACREAGE

The subject property consists of approximately 271.837 acres.

LOCATION

Keahuolu, North Kona, Hawaii

EXISTING LAND USE

The subject property consists of approximately 271.837 acres located in Keahuolu, North Kona, on the western slope of Hualalai mountain and approximately one mile upslope from Kailua-Kona. Elevations range from 300 to 580 feet above mean sea level. The subject property is vacant and undeveloped, bordered by Palani Road to the south, and the future Ane Keohokalole Highway along the west/makai end.

PROJECT DESCRIPTION

Kamakana Villages is proposed to consist of approximately 2,330 residential units (single-family and multi-family), of which over 50% or approximately 1,168 will be affordable units, i.e., offered for sale or rent to buyers who earn no more than 140% of the median income in the County of Hawaii. Because more than half of the residential units at Kamakana Villages will be affordable units, the project qualifies under HRS Chapter 201H as an affordable housing project and is entitled to be exempt from State and County land use regulations, and to proceed under the land use entitlements fast tracking procedures provided under HRS § 201H-38.

Three (3) areas within Kamakana Villages are proposed for mixed-use/retail development, for a total of approximately 197,000 sq. ft. of retail space. Three (3) large park areas and numerous small parks and open space areas, and two (2) archaeological preserves are planned.

DATE OF FILING OF PETITION

September 7, 2010

RIGHTS OF INTERESTED PERSONS

All persons who have some property interest in the subject property, who lawfully reside on the subject property, or who otherwise can demonstrate that they will be so directly and immediately affected by the proposed change that their interest in the proceeding is clearly distinguishable from that of the general public may submit petitions to intervene to the Land Use Commission up to fifteen (15) days after the notice of hearing is published. All other persons who wish to present testimony as a public witness may submit a written request to the Land Use Commission no later than seven (7) days prior to the published hearing date. The Commission will publish the notice of hearing at a later date.

Any questions or requests for additional information may be referred to:

CARLSMITH BALL LLP Attention: Jennifer A. Benck, Esq. ASB Tower 1001 Bishop Street, Suite 2200 Honolulu, Hawaii 96813	FOREST CITY HAWAII KONA, LLC Attention: Race Randle 5173 Nimitz Road Honolulu, Hawaii 96818
DEPARTMENT OF THE ATTORNEY GENERAL, STATE OF HAWAII Attention: Craig Y. Iha, Deputy Attorney General 425 Queen Street Honolulu, Hawaii 96813	HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION Attention: Stanley Fujimoto 677 Queen Street, Suite 300 Honolulu, Hawaii 96813

DATED: Honolulu, Hawaii, July 7, 2010.

BEFORE THE LAND USE COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Petition of

HAWAII HOUSING FINANCE AND
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(3) 7-4-021:026, (3) 7-4-021:027

Docket No. [TBD]

CERTIFICATE OF SERVICE

CERTIFICATE OF SERVICE

I hereby certify that due service of a copy of the within document was made by depositing the same with the U. S. Mail, postage prepaid, or by hand delivery, on July 7, 2010, addressed to:

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Interim Superintendent
Hawaii State Department of Education
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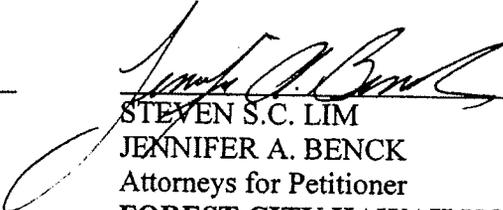
- CERT. STEVEN J. ARNETT
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Hilo, HI 96720-2456
- CERT. HAWAIIAN TELCOM, INC.
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- CERT. LAURA THIELEN, Chairperson
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DATED: Honolulu, Hawaii, July 7, 2010.

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