April 16, 2020

Office of the Director
State of Hawaii, Department of Health
Office of Environmental Quality Control
235 South Beretania Street, Suite 702
Honolulu, Hawaii 96813

Dear Gentlemen:

SUBJECT: Exemption Notice for Kapolei Parkway Mixed-Use
Located at 91-0 Kapolei Parkway, Kapolei, Hawaii
TMK: (1) 9-1-160: Portion of 018 [Lots 6 (6.015 acres) and 7 (4.232 acres)]

The Department of Land Management hereby submits the following Exemption Notice for the Kapolei Parkway Mixed-Use Project:

AGENCY OR APPLICANT ACTION:
Check applicable box
☒ This exempted action is an agency action as defined by Section 343-5(b), Hawai‘i Revised Statutes (HRS), and Section 11-200.1-8, Hawai‘i Administrative Rules (HAR).
☐ This exempted action is an applicant action as defined by Section 343-5(e), HRS, and Section 11-200.1-9, HAR.

EXEMPTION TYPE:
The Exemption Notice for the action described below is based on the general types enumerated in Section 11-200.1-15(c), Hawai‘i Administrative Rules (HAR), Exemption Type 10.

DESCRIPTION OF ACTION:
Proposing Agency or Applicant: Department of Land Management, City and County of Honolulu
Project Name & Address/Location: Kapolei Parkway Mixed-Use, Located at 91-0 Kapolei Parkway, Kapolei, Hawaii, T.M.K.: (1) 9-1-160: Portion of 018 [Lots 6 (6.015 acres) & 7 (4.232 acres)]
Anticipated Start Date: 4/1/2021
Anticipated End Date: 8/31/2023
Island and District: O‘ahu (Kapolei)
Tax Map Key(s) and other geolocation means: (1) 9-1-160: Portion of 018 [Lots 6 (6.015 acres) & 7 (4.232 acres)]

All Necessary Permits and Approvals:
The development will require the following governmental permits or approvals:

**City**: Building Permits; Trenching Permit; Grading Permit; Drain Connection Permit; Street Usage Permit; Construction Plan Approval; possibly a Dewatering Permit from the City's DPP; and a Certificate of Occupancy.

**State**: NPDES Permit; and Community Noise Permit.

**City Council**: 201H Approval by Resolution.

The City DPP Wastewater Branch approved a Sewer Connection Application for the project on October 4, 2019. The remaining permits will be applied for after approval of the 201H application by the City Council.

**NARRATIVE:**

Describe the action and why it qualifies for the exemption:
The Kobayashi Group, LLC through its successor development entity KG Kapolei Parkway, LLC (“KG”) proposes to develop the Project on a 10.247-acre portion of TMK parcel (1) 9-1-160:018 (“Project Site”). The Project Site is presently vacant. Parcel 018 is a 38-acre site.

The Project Site involves two adjacent blocks. One block is bounded by Kapolei Parkway, Manawai Street, Village Walk, and Wakea Street and is split by Palailai Mall. The other block is bounded by Kapolei Parkway, Kunehi Street, Village Walk, and Manawai Street.

KG plans to develop 404 affordable units ranging in size from studios to four-bedrooms in two to three story apartments. An additional unit will be used for an onsite resident manager. The Project will include 647 parking stalls, including some tandem stalls. The parking required for the Project is 634 stalls.

The Project will have three sections, each section will have three apartment wings surrounding two story parking, with additional parking along a driveway along Village Walk, located south of the Project Site. Village Walk separates the Mehana Development from the proposed Project.

This Project will be processed under Chapter 201H HRS, which offers flexibility in design and permitting requirements to projects created for lower and moderate income households. The affordable rental units will include 21 units designated for households earning 30% of the Area Median Income (AMI) or below and 383 units designated for households earning 60% of the AMI or below and an additional unit will be used for an onsite resident manager. The Project would remain affordable for a term of 73 years. The Project would meet the City and County of Honolulu (City) requirements for affordable housing and processing under the 201H Program.

Rev. 10/19
Governor Ige signed the new rules for the state EIS process on July 30, 2019. The proposed new rules took effect on August 9, 2019. The new rules repeal the existing HAR, Chapter 11-200 and adopt a new chapter called HAR, Chapter 11-200.1. Chapter 11-200.1, Section 15, “General types of actions eligible for exemption”, stipulates the following:

(c) The following general types of actions are eligible for exemption:

(10) New construction of affordable housing, where affordable housing is defined by the controlling law applicable for the state or county proposing agency or approving agency, that meets the following:

(A) Has the use of state or county lands or funds or is within Waikiki as the sole triggers for compliance with chapter 343, HRS;

(B) As proposed conforms with the existing state urban land use classification;

(C) As proposed is consistent with the existing county zoning classification that allows housing; and

(D) As proposed does not require variances for shoreline setbacks or siting in an environmentally sensitive area, as stated in section 11-200.1-13(b)(11).

The subject Project would meet the new standards for exempt classes of action. The use of state financing, including Rental Housing Revolving Fund (RHTF), Hula Mae Multi-Family (HMMF) Tax-exempt Bond program, and Low-income Housing Tax Credits (LIHTC), would be the sole trigger for the Project's compliance with HRS, Chapter 343. The Project Site is located on land classified as "Urban" by the State. The Project Site is zoned "BMX-3 Community Business Mixed Use District" by the City. BMX-3 District allows housing and multi-family dwellings as a permitted use. The proposed construction of 405 multi-family dwelling units is consistent with these designations. Furthermore, the Project would not require variances for shoreline setbacks nor is it sited in an environmentally sensitive area. Given the new rules, we believe that the subject project would be exempt from HRS, Chapter 343 requirements. The Applicant is intending to submit an HRS, 201H application to Department of Planning and Permitting to obtain fee exemptions upon a determination of exemption from your office.

RECEIVING ENVIRONMENT:

Describe the site, including any impacts on the receiving environment:
The Project Site is presently vacant, unimproved land. The Project will conduct land disturbing activities on the 10.247 acre. The proposed mixed-use project includes a combination of low-income affordable rental housing; commercial unit; preschools; vehicle and bicycle parking; pedestrian paths; roadway improvements; outdoor open spaces, and incidental community uses.

ENVIRONMENTAL ANALYSIS:

I have considered the potential effects of the proposed project and all related activities against the criteria checked below:

Rev. 10/19
Comments/summary of impact analysis: **No significant impact is anticipated**

**MITIGATION:**

Describe all mitigation measures and best management practices planned to address impacts during the project activities and after project completion:

The project will include best management practices in accordance with the City and County of Honolulu’s “Rules Relating to Water Quality.” After project completion, the on-site resident manager will monitor conditions for environmental protection.

**CONSULTATION:**

The following parties have been consulted about this declaration exemption (Name, affiliation, consultation date): **City and County of Honolulu, Department of Planning and Permitting. Date: October 8, 2019**

**EXEMPT DECLARATION:**

The direct, cumulative, and potential impacts of the action described above have been considered pursuant to Chapter 343, Hawai‘i Revised Statutes and Chapter 11-200.1, Hawai‘i Rev. 10/19
Administrative Rules. I declare that the action described above will have minimal or no significant impact on the environment and is therefore exempt from the requirement to prepare an environmental assessment.

If you have any questions, please contact Mr. Seiji Ogawa, Project Manager of the Department of Land Management, at 768-4294.

Signature of Sandra S. Pfund, Director
Department of Land Management

☐ This document is on file in our office and is available for public review.

☒ This document has been submitted to the Office of Environmental Quality Control for publication in The Environmental Notice.

Attachment
DEPARTMENT OF LAND MANAGEMENT  
City & County of Honolulu  

ENVIRONMENTAL CHECKLIST  

(TO BE KEPT AS PART OF EA EXEMPTION FILE)  

<table>
<thead>
<tr>
<th>A. APPLICABILITY</th>
<th>B. EXEMPTION (Chapter 343, HRS only):</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. CHAPTER 343, HRS</td>
<td></td>
</tr>
</tbody>
</table>
|  | ❌ DOES NOT APPLY  
|  | ✓ APPLIES AS CHECKED:  
|  | ✓ USE OF STATE/COUNTY LANDS/FUNDS (other than for feasibility studies or for land purchase)  
|  | ✓ USE OF STATE CONSERVATION LANDS  
|  | ✓ USE WITHIN HISTORIC SITES (State or National Register)  
|  | ✓ USE WITHIN WAIKIKI SPECIAL DISTRICT  
|  | ✓ AMENDMENT OF DEVELOPMENT PLANS RESULTING IN OTHER THAN AGRICULTURE, CONSERVATION, OR PRESERVATION (except actions proposing any new county general plan or amendments initiated by the county)  
|  | ✓ SIGNIFICANT ZONE CHANGE (within the eight Development/Sustainable Community Plan areas)  
|  | ✓ USE WITHIN SHORELINE SETBACK AREA  
|  | ✓ NEW OR MODIFICATION TO HELICOPTER FACILITY (refer to Ch. 343-2 and 343-5(a)(8), HRS)  
|  | ✓ WASTEWATER TREATMENT (except individual wastewater systems or wastewater treatment units serving fewer than fifty single-family dwellings or the equivalent)  
|  | ✓ WASTE-TO-ENERGY FACILITY  
|  | ✓ LANDFILL  
|  | ✓ OIL REFINERY  
|  | ✓ POWER-GENERATING FACILITY (fossil-fueled w/ output exceeding 5 megawatts; refer to Ch. 343-2, HRS)  
|  |  

| 2. CHAPTER 25, ROH (Special Management Area) |  
|  | ❌ DOES NOT APPLY (Site is NOT Within the SMA)  
|  | ☑ APPLIES (Site IS Within the SMA)  

SMA DETERMINATION:  
|  | ☑ NOT Development per ROH Sec. 25-1.3(2)( ☑ Exemption)  
|  | ☑ IS Development per ROH Sec. 25-1.3(1), (3), or (4)  

Project Valuation: $ ________  
  (Cost Estimate)  

MINOR Permit  
MAJOR (Use) Permit  

EXEMPT (Class/Section No. Section 11-200.1-15(c) Exemption Type 10)  
By Principal or Originating Accepting Agency:  
|  | ☑ DLM  
|  | ☑ Other: (________________________)  

If DLM is an Additional Accepting Agency, then:  
|  | ☑ EXEMPT (Class/Section No. ______________________)  
|  | ☑ NOT EXEMPT  

Others Consulted:  
| DPP on: 10/8/19  
| (Agency) (Date of Consultation)  

More agencies were consulted (see attached)  

C. ASSESSMENT (Chapter 343, HRS & Chapter 25, ROH):  

Accepting Authority: DLM  
Draft EA Received: ___________  
Public Notice: ___________  
(DOEQ Bulletin Publication Date)  
Final EA Received: ___________  
Public Notice: ___________  
(DOEQ Bulletin Publication Date)  
Significant Impact, Process EIS (see STATEMENT below)  
FONSI ___________  
Public Notice: ___________  
(OEQC Bulletin Publication Date)  
Received Reports to Determine Exemption  

D. STATEMENT (Chapter 343, HRS & Chapter 25, ROH):  

Accepting Authority:  
EIS Prep Notice ___________  
Public Notice: ___________  
(OEQC Bulletin Publication Date)  
Draft EIS Received: ___________  
Public Notice: ___________  
(OEQC Bulletin Publication Date)  
EIS Accepted ___________  
Public Notice: ___________  
(OEQC Bulletin Publication Date)  

SUPPLEMENTAL EIS/EA COMPLIANCE (HAR Section 11-200-26)
### A. APPLICABILITY

- [ ] Does NOT APPLY
  - [X] NOT Subject to EIS/EA Requirements (See APPLICABILITY, Part I.A)
  - [ ] EXEMPT Action (See EXEMPTION, Part I.B)
  - [ ] Separate Action (Process New EIS/EA)
  - [ ] NO Substantive Changes (See DETERMINATION, Part II.B.1)
  - [ ] NO Significant Effects (See DETERMINATION, Part II.B.2)

- [X] Does NOT APPLY & Prepared Studies:
  - [X] ESA Phase I
    - Findings: Clean
  - [X] ESA Phase II
    - Findings: Acceptable limit
  - [ ] Traffic Impact Analysis Report
    - Findings: Minimal impact, will put in traffic signal if recommended
  - [X] Archaeological Study
    - Findings: Lit review and site analysis done. No findings
  - [ ] Partial EA updates
    - Findings: N/A

- [ ] APPLIES & Prepare a Supplemental:
  - [ ] EA
  - [ ] EIS
  - Pursuant to:
    - [ ] Chapter 343, HRS
    - [ ] Chapter 25, ROH

### B. DETERMINATION

1. Does the Action Involve Substantive Change(s) in Size, Scope, Intensity, Use, Location, Timing, Other:
   - [X] NO; Does NOT Apply (See APPLICABILITY, Part II.A)
   - [ ] YES; specifically:

2. If YES, Does the Action Involve Significant Effect(s):
   - [ ] NO; Does NOT Apply (See APPLICABILITY, Part II.A)
   - [X] YES; specifically:

3. If YES, SEIS/SEA Applies (See APPLICABILITY, Part II.A)
   - Notice of Determination: __________________________ (Date Issued)
   - Public Notice: __________________________ (OEQC Bulletin Publication Date)

### III SHORELINE SETBACK ORDINANCE (Chapter 23, ROH) & RULES COMPLIANCE

#### A. APPLICABILITY:

- [X] DOES NOT APPLY (Site is NOT a Shoreline Lot)
- [ ] APPLIES (Site IS a shoreline Lot)
  - [ ] Variance Required (See SETBACK, Part III.C)
  - [ ] Minor Shoreline Structure (MSS):
    - [ ] No MSS Permit Required Per DPP Part 2 Rules Sec. 15-1(b):
      - [ ] (2) [ ] (3) [ ] (4) [ ] (5) [ ] (7)
    - [ ] MSS Permit Required Per DPP Part 2 Rules Sec. 15-1(b):
      - (Subdivision No.)
  - [ ] Exempt Per ROH Sec. 23-1.5:
    - (Subsection No.)
  - [ ] All development mauka of shoreline setback

#### B. CERTIFIED SHORELINE

- Certification Expires in: __________________________ (Certification Date)
  - [ ] One Year
  - [ ] Two Years (Government Projects Only)

#### C. SHORELINE SETBACK:

- [ ] 60-foot applies
- [ ] 40-foot applies
- [ ] _____ applies
  - (Feet)
  - As adjusted on: __________________________ (Date of Adjustment)
  - As established by: __________________________ (Shoreline Setback Resolution No.)