JOSH GREEN, M.D. GOVERNOR

SYLVIA LUKE



DEAN MINAKAMI EXECUTIVE DIRECTOR

STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM

HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION

677 QUEEN STREET, SUITE 300

HONOLULU, HAWAII 96813 FAX: (808) 587-0600 IN REPLY REFER TO:

24:PECB/124

November 26, 2024

Ms. Mary Alice Evans, Director Office of Planning and Sustainable Development P.O. Box 2359 Honolulu, Hawaii 96804-2359

Dear Ms. Evans:

Subject: Determination of No Additional Environmental Review to Satisfy Chapter 343, Hawaii Revised Statutes for the Leiwili Kapolei Mixed-Use Development Project (Project) Tax Map Key (1) 9-1-016-230 (portion)

Pursuant to Section 11-200.1-11, Hawaii Administrative Rules (HAR), this letter serves as notification and a request for publication in the next issue of *The Environmental Notice* that the Hawaii Housing Finance and Development Corporation (HHFDC) has determined no additional environmental review is required for the subject Project.

On May 4, 1988, the *Kapolei Village Environmental Impact Statement* was accepted by Governor John Waihee (Final EIS). The Final EIS covered the phased development of residential, commercial, public facilities, and park uses on approximately 830 acres of land, including the entirety of the Project Site. The Applicant proposes to build a mixed-use development including affordable rentals on a 19.473-acre parcel within the Villages of Kapolei community to meet housing demand. This document updates the Final EIS with the latest studies and analysis.

After careful analysis and as described in the attachment, HHFDC as the approving agency is invoking HAR 11-200.1-11 that the EIS is applicable to the Project and that additional environmental review is not required.

Sincerely,

Dan C. al

Dean Minakami Executive Director

Attachment

LEIWILI KAPOLEI MIXED-USE DEVELOPMENT PROJECT DETERMINATION OF NO ADDITIONAL ENVIRONMENTAL REVIEW NOTICE

The Hawaii Housing Finance and Development Corporation (HHFDC) is the master developer of the Villages of Kapolei, awarding development rights to developers to build housing and other features in this master-planned community. One of the final pieces to the Villages of Kapolei is a 19.473-acre vacant parcel (Project Site), located at the southeastern corner of the intersection of Fort Barrette Road and Farrington Highway in Kapolei, Oahu. The Project Site is zoned BMX-3 (Business Mixed-Use), which allows for a broad mix of residential, commercial, and public facilities. See Exhibit 1 for a location map.

The other undeveloped property is a 9.1-acre site located adjacent to Kapolei High School, which is not part of the Project Site.

On May 2, 2023, HHFDC issued a Developer Request for Proposals No. DEV-RFP-23-002 (RFP) to seek parties interested in converting the Project Site into a mixed-use development with the primary objective of increasing the supply of workforce and affordable housing opportunities for Hawaii residents.

On March 14, 2024, the RFP was awarded to a joint venture between 'Ikenākea Development LLC and The Michaels Organization called Villages of Kapolei JV LLC (Applicant). The Applicant is proposing to build the Leiwili Kapolei Mixed-Use Development Project (Project) over three phases, comprising up to 900 multi-family rental and for-sale residential units, and up to 95,000 square feet of commercial space.

ORIGINAL PROJECT IN THE FINAL EIS (1988)

On May 4, 1988, the *Kapolei Village Environmental Impact Statement* was accepted by Governor John Waihee (Final EIS).¹ The Final EIS covered the phased development of residential, commercial, public facilities, and park uses on approximately 830 acres of land, including the entirety of the Project Site.

The Final EIS included noise, traffic, flora and fauna, air quality, agricultural, and archeological studies. The Final EIS analyzed potential impacts on the following resources: agricultural, air quality, traffic, socio-economic, noise, topography and soils, flora and fauna, water, sewer, drainage, solid waste, electrical power, and communications. Additionally, the Final EIS addressed potential impacts and provided mitigation measures for limiting environmental impacts.

Today, the Villages of Kapolei consist of nine villages with a total of 3,950 residential units built over the past 30-plus years, as summarized in the table below. Along with the residences, three public schools, a golf course, two recreation centers, a community park, and three smaller parks with tot lots were built.

¹ Link to the Final EIS: https://files.hawaii.gov/dbedt/erp/EA_EIS_Archive/1988-02-DD-OA-FEIS-Kapolei-Village.pdf

Village	Description	Units	Subtotal Units
Village 1	Kumu Iki	519	519
Village 2	Aʻeloa	428	580
	A'eloa Senior Residence I and II	80	
	Villas at A'eloa	72	
Village 3	Malanai	384	384
Village 4	Kekuilani Palms	609	644
	Makauli'i II at Kapolei	35	
Village 5	Kulalani	128	551
-	'Iwalani	273	
	Makali'i at Kapolei	32	
	Nohona I at Kapolei	118	
Village 6	Pae Ko Gardens	128	566
-	Maluʻohai	226	
	Kealakai at Kapolei	140	
	Villas at Malu'ohai	72	
Village 7	Kapolei Kai	204	204
Village 8	Kaupe'a	326	326
Village Center	Village Center – Nohona II	93	176
(subdivision)	Village Center – Nohona III	83	
Total Units			3,950

THE PROJECT, AS NOW PROPOSED (2024)

The Applicant proposes to develop the Project over three phases. See Exhibit 2 for the site plan and Exhibit 3 for the phasing plan.

Phase 1 is located on the southwest corner of the parcel adjacent to Fort Barrette Road and is approximately 6.77 acres in size. See Exhibit 3 for the current phasing plan and the configuration of the Project boundaries. This phase will consist of two multi-family, affordable rental housing buildings, Building B and Building C, each featuring 56 one-bedroom units, 67 two-bedroom units, and 49 three-bedroom units. Both buildings are planned to stand six stories tall with a height of 71 feet above ground level. Building B will have 182 parking stalls, and Building C will have 189 parking stalls for a total of 371 parking stalls.

Phase 2 is located closer to the northern quadrant of the parcel adjacent to Farrington Highway and is approximately 5.07 acres in size. This phase will include two multi-family, affordable rental housing buildings, Building A and Building E. Building A will consist of 72 one-bedroom units, 110 two-bedroom units, and 60 three-bedroom units. It will provide 344 parking stalls. Similarly, Building E will offer 72 one-bedroom units, 110 two-bedroom units, and 60 three-bedroom units, along with 357 parking stalls. Both buildings may reach up to 12 stories with a height of 130 feet above ground level. This phase will provide up to 52,000 square feet of commercial space on the ground floor level.

Phase 3 is located on the southern portion of the parcel and is approximately 2.40 acres in size. This phase will have two multi-family, fee-simple townhome buildings, collectively referred to as Building D. Each building includes 24 two-bedroom units and 12 three-bedroom units. Both structures will be three stories tall, with a height of 31.5 feet above ground level, and will offer 108 parking stalls in total.

The Project will also include approximately 43,000 square feet of standalone commercial space bordering the Project Site's upper perimeter. See table below for a summary of the elements.

	Project Summary			
	Phase 1	Phase 2	Phase 3	Totals
Buildings	2	2	2	6
Stories	6	Up to 12	3	N/A
Units	344	484	72	900
Residential Parking Spaces	371	701	108	1,454 ²
Commercial Space (sf)	0	52,000	43,000	95,000
Indoor Amenities (sf)	8,060	10,380	0	18,440
Outdoor Courtyards (sf)	28,970	37,460	0	66,430
Total Community & Recreation Areas (sf)	37,030	47,840	0	84,870

It is noted that Phase 2 and Phase 3 are conceptual at this point, and the details of them may be adjusted, as the final configuration will depend on community input as well as the availability of financing.

Two financing scenarios are being considered for the Project.

In the first scenario, the Applicant will seek a combination of Low-Income Housing Tax Credits and financing from the Rental Housing Revolving Fund (RHRF), and/or other State financing programs. In this scenario, the Applicant commits to setting aside units based on the following income and affordability restrictions for the rental portion of the Project listed below for 75 years.

	Number of Units			
Restricted at the Area Median Income (AMI)	Phase 1	Phase 2	Phase 3	Total
30% to 60% of the AMI	342	0	0	342
80% to 100% of the AMI	0	480	0	480
Total Affordable Rental Units	342	480	0	822
Manager's Units	2	4	0	6
For Sale (leasehold) 110% and 140% of the AMI	0	0	72	72
Total Number of Units	344	484	72	900

In the second scenario, the Applicant will seek financing from the RHRF Tier 2 Moderate-Income Funding Program. In this scenario, the Applicant commits to setting aside units based on the following income and affordability restrictions for the rental portion of the Project listed below for 75 years.

² Plus 274 stalls for commercial and retail = 1,454 parking stalls total.

	Number of Units			
Restricted at the Area Median Income (AMI)	Phase 1	Phase 2	Phase 3	Total
80% to 100% of the AMI Rental Units	342	480	0	822
Manager's Units	2	4	0	6
For Sale (leasehold) 110% and 140% of the AMI	0	0	72	72
Total Number of Units	344	484	72	900

Under each scenario, HHFDC will be the approving agency for HRS 343 compliance because of the use of State financing programs.

The Applicant will seek through HRS Section 201H-38 exemptions from certain City and County of Honolulu (CCH) requirements relating to zoning, such as height and development fees. The Applicant will also seek exemptions from certain HRS sections, as suspended under the Governor's Ninth Proclamation Relating to Affordable Housing dated October 10, 2024 (the EP), as may be succeeded by a similar emergency proclamation. Suspensions under the EP include the requirement to pay Hawaii Department of Education School Impact Fees and required approval from the City Council for the various 201H exemptions.

ENVIRONMENTAL ANALYSIS

Below is a summary of the relevant environmental analysis of the Project.

- Land Use and Zoning. The Project Site is within the CCH's BMX-3 (Business Mixed-Use) zoning district, which allows community business mixed-use districts to provide areas for both commercial and residential uses outside of the central business mixed-use district and at a lower intensity than the central business mixed-use district. As part of the 201H Application, the Applicant will be seeking an exemption from the CCH's Land Use Ordinance (ROH 21) relating to height.
- 2. *Traffic.* A Traffic Impact Analysis Report (TIAR) was previously prepared for this project in December 2022. The Applicant's traffic engineer prepared a TIAR Update for the Project to incorporate changes to the development plan and update the access assumptions to the Project Site. In summary:
 - The analysis included existing conditions, future baseline conditions without the Project, and future conditions with the Project for the Year 2030.
 - Access to the proposed project is expected to be provided via driveways off Farrington Highway, Kealanani Avenue, and Fort Barrette Road.
 - All Project driveways are expected to be restricted to right-turn in right-turn out movements only.
 - Although the Project is expected to add site-generated trips to the surrounding roadway network, the Project is planned to provide multiple access points diversifying the available routes for site-generated vehicles to access the Project Site and thereby dispersing traffic demands along the adjacent roadways.

Recommendations include:

- Optimize the Project driveway placement to increase queuing space, and minimize conflicts between site-generated and through traffic.
- Incorporate Complete Streets elements to enhance multimodal transportation and encourage alternative transportation use.
- Develop a Transportation Management Plan covering traffic circulation, parking, loading, and demand management to reduce the Project's impact on surrounding roads.
- 3. Archaeological and Cultural Resources. A Cultural Impact Assessment (CIA) was previously done for the Project Site, which determined that development on a scale similar to that of the Project is unlikely to have any adverse impact on pre-contact historic properties, Hawaiian cultural practices, or cultural resources. The Applicant had the same archeological consultant provide an updated memo to CIA to address a small portion of the Project Site that was excluded from the original report.

In 2018, SHPD issued a letter to the Veterans Administration Home Program, which indicated the Hawaii State Veterans Home Project was unlikely to have an effect on historic properties because their development area has been subjected to numerous archaeological inventory surveys, and no historic properties have been identified. Based on previous identification efforts and SHPD's 2018 review of the same TMK, HHFDC has made a determination of "no historic properties affected." HHFDC is seeking SHPD's concurrence with this determination.

The Applicant will implement any mitigation deemed necessary by SHPD.

4. *Infrastructure.* The Applicant's civil engineer prepared a Preliminary Engineering Report (PER) for the Project. In summary:

Water: The Honolulu Board of Water (BWS) supply determined the existing water system is currently adequate to accommodate the Project. BWS noted the final decision on the availability of water will be confirmed when the building permit application is submitted for approval, pending evaluation of the water system conditions at that time on a first-come, first-served basis.

Sewer: CCH, Department of Planning and Permitting, Wastewater Branch (WWB) approved a sewer connection application (SCA) for 1,000 residential units with 150,000 square feet of commercial space. This is enough wastewater capacity for all three phases.

Drainage: The Project will comply with the Stormwater Quality Standards adopted by CCH. As the Project is developed, much of the site shall become covered by impervious pavement and roof. Ultimately, the rainfall will be retained on-site for disposal via stormwater treatment options like subsurface infiltration, evaporation, percolation into the underlying ground in the grassed areas, filters, and on-site landscaping.

Electricity: Preliminary consultation with HECO has indicated that there are three existing 12.47KV primary HECO circuits running underground along Farrington Highway on the west side (Mauka) of the roadway across from the planned development. A preliminary engineering power study is underway by HECO to determine if the existing primary circuits can accommodate the proposed estimated loads of the Project.

Gas: Existing gas lines are available to serve the Project.

Telephone and Cable Services: Spectrum stated they would provide telephone, cable television, and internet service to the Project.

- 5. *Visual.* The visual character of the community surrounding the Project Site is a mixture of commercial and residential buildings ranging between one and three stories. The Project Site is within the BMX-3 zoning district, which allows building heights up to 60 feet above ground level. The Applicant is seeking height exemptions to build up to 130 feet above ground level through the 201H process to accommodate more units to help meet the island's need for affordable and workforce housing.
 - Buildings A and E are proposed to reach heights of 130 feet above ground level.
 - Buildings B and C are planned for 71 feet above ground level.
 - Building D is planned at 31.5 feet above ground level.

The Project may have a visual impact compared to existing conditions. However, to mitigate visual impacts, the Project design includes varying building heights, appropriate setbacks, attention to orientation and massing; balanced space between buildings; and activation of street-level views with commercial/retail and community service uses.

Furthermore, Kapolei was envisioned as Oahu's "second city", planned to accommodate much of the future growth of Oahu's population. The Project will be adjacent to Kapolei's City Center, or the high-density core of the City of Kapolei that includes both current and future high-rise developments above 130 feet in height. Although the Project is not within the designated City Center, the additional building height is very much concentrated in a higher-density pocket of Kapolei. This planned growth is evident in *The City of Kapolei Urban Design Plan – Evolution of the City*.

- 6. *Environmental Site Assessment*. The Applicant's environmental consultant prepared a Phase I Environmental Site Assessment (ESA) report. The ESA revealed no evidence of recognized environmental conditions (RECs), controlled recognized environmental conditions (CRECs), or significant data gaps related to the Project Site.
- Airspace and Aviation. If deemed necessary, the Applicant will submit FAA Form 7460-1 to the Federal Aviation Administration (FAA), the federal agency responsible for evaluating objects affecting navigable airspace. The Applicant will comply with all FAA and Hawaii Department of Transportation, Airports Division required mitigation measures.

- Noise. The construction of the Project will cause an incremental increase in construction-related noise, but it will be temporary and is not anticipated to be significant in the surrounding area where the predominant source of noise would be from vehicular traffic. If the noise emissions are above standards stipulated in Section 11-46, HAR (Community Noise Control), a permit will be required to regulate the permissible noise levels.
- 9. *Air.* The Project may have some short-term impacts on air quality in the form of fugitive dust emissions because of construction activities. Fugitive dust emissions can be controlled mostly by watering active work areas, using windscreens, keeping adjacent paved roads clean, and covering open-bodied trucks.
- 10. *Cumulative Impacts*. The Project will contribute to the overall development impact in the area. However, it aligns with the scope of the Villages of Kapolei development and remains consistent with the original plan for a residential community that includes a full range of community support facilities, as detailed in the Final EIS. While the Project will add to cumulative impacts, this growth was planned and is expected.

In addition, the Applicant will obtain all required permits and comply with permit conditions to mitigate construction-related impacts.

CONSULTATIONS

The following parties were consulted as part of the public outreach and consultation process.

AGENCY / ORGANIZATION	NAME	CONSULTATION DATE
HHFDC Board Meeting	Board members and the public	03/14/2024
Council Member, District 1	Andria Tupola	03/27/2024
Villages of Kapolei Association, Town Hall	Public	04/05/2024
Hawaii Department of Transportation	Staff	04/23/2024
Makakilo/Kapolei/Honokai Hale Neighborhood Board No. 34	Public	04/24/2024
State Representative, District 43	Kanani Souza	05/02/2024
Hawaii Office of Veterans Services & State Veteran's Home	Staff	05/09/2024
Senator, District 21	Mike Gabbard	05/22/2024
Makakilo/Kapolei/Honokai Hale Neighborhood Board No. 34	Public	06/26/2024
Hawaii Department of Transportation	Staff	06/27/2024
Hawaii Department of Education Complex Area Campbell-Kapolei	Staff	07/10/2024
Kapolei Chamber of Commerce	Staff	07/10/2024
CCH Department of Planning and Permitting, Urban Design Branch	Staff	07/22/2024
Governor's Housing Team	Staff	08/06/2024
Makakilo/Kapolei/Honokai Hale Neighborhood Board No. 34	Public	08/28/2024
Honolulu City Council - Committee on Housing, Sustainability, and Health	Council members and the public	09/25/2024
Representative, District 42	Diamond Garcia	09/30/2024
Rotary Club of Kapolei	Public	10/03/2024
Honolulu Department of Transportation Services	Staff	10/10/12024
Villages of Kapolei Association, Annual Meeting	Public	10/11/2024

Listen Story Community Meeting hosted by Senator Mike Gabbard, District 21	Public	10/19/2024
Hawaii Department of Transportation	Director Ed Sniffen	10/22/2024
Hawaii Department of Education	Superintendent Keith Hayashi	10/22/2024
Hawaii Department of Health	Director Kenny Fink	10/22/2024
Office of Planning and Sustainable Development	Director Mary Alice Evans	10/22/2024
CCH Department of Planning and Permitting	Director Dawn Takeuchi Apuna	10/22/2024
CCH Mayor's Office of Housing and Homelessness	Director Denise Iseri-Matsubara	10/22/2024
CCH Department of Transportation Services	Director J. Roger Morton	10/22/2024
CCH Department of Design and Construction	Director Haku Milles	10/22/2024
CCH Department of Parks and Recreation	Director Laura Thielen	10/22/2024

The following comments were received during the comment period.

- 1. Hawaii Department of Transportation (DOT). The department had no comments. The department reviewed a 201H application that was sent earlier and provided comments directly to the Applicant in a correspondence dated October 24, 2024. The Applicant will address all comments provided in the correspondence dated October 24, 2024, directly to DOT.
- 2. Office of Planning and Sustainable Development (OPSD). The office had no comments.
- 3. Hawaii Department of Education (DOE). The department acknowledged this Project would be seeking exemptions from school impact fees but requested continued consultations with the Applicant.

DETERMINATION OF NO ADDITIONAL REVIEW

Section 11-200.1-11, Hawaii Administrative Rules (HAR), provides that when an agency is considering whether a prior exemption, an environmental assessment (EA) with a finding of no significant impact, or an accepted environmental impact statement (EIS) satisfies Chapter 343, HRS, for a proposed action, the agency may determine that additional environmental review is not required if it meets the following three criteria:

- 1. The proposed action was a component of, or is substantially similar to, an action that received an exemption, an EA with a finding of no significant impact, or an accepted EIS.
- 2. The proposed action is anticipated to have direct, indirect, and cumulative effects similar to those analyzed in a prior exemption, an EA with a finding of no significant impact, or an accepted EIS.
- 3. In the case of an EA with a finding of no significant impact or an accepted EIS, the proposed action was analyzed within the range of alternatives.

The Final EIS contained studies that were prepared in the 1980s. To provide the most current information on the areas of concern, four new studies were prepared:

 The Applicant's traffic engineer prepared a TIAR Update (completed in July 2024) to analyze transportation impacts resulting from the development of the Project. It incorporated changes from a previously prepared TIAR completed in December 2022 for the Project Site. This TIAR Update includes a Mobility Analysis that addresses

transportation impacts and includes mitigation recommendations for all modes of transportation. The Mobility Analysis accounts for the existing vehicular traffic in the area and considers the cumulative transportation impact of the entire Project.

- 2. The Final EIS did not contain a Cultural Impact Assessment (CIA) since such a study was not required under existing laws in 1988. To meet this current-day requirement, the Applicant's consultant updated a CIA (completed in June 2024) for the Project Site that was prepared for the adjacent Hawaii State Veterans Home project. The updated CIA included a small portion of the Project Site that was excluded from the Hawaii State Veterans Home CIA.
- 3. The Applicant's civil engineer prepared a new Preliminary Engineering Report (PER) for the Project (completed in August 2024). The purpose of the PER is to identify existing Project Site conditions and the potential impacts it may have on existing public infrastructure systems such as water, wastewater, and drainage.
- 4. The Applicant's consultant prepared a Phase I Environmental Site Assessment (ESA) (completed in July 2024). The purpose of the ESA is to document the current environmental conditions of the Project Site and to satisfy due diligence requirements.

The Project and the Final EIS as supplemented by the new studies listed above meet the above criteria in the following ways:

- The scope of the development of the Villages of Kapolei has not changed and the Project is substantially similar to the original concept of a planned residential community with a full range of community support facilities as proposed and analyzed in the Final EIS.
- 2. The Project is anticipated to have direct, indirect, and cumulative effects similar to those analyzed in the Final EIS, and the environmental setting and probable environmental impacts as described in the Final EIS have not substantially intensified or changed. TIAR, CIA, PER, and ESA were prepared to provide updated information for analysis and to support the HAR 11-200.1-11 determination, which is summarized in the Environmental Analysis section above.
- 3. The Project is consistent with the Final EIS, as commercial use was always contemplated on the Project Site in each of the alternatives discussed. A variety of housing choices were also analyzed within the range of alternatives. The Villages of Kapolei currently features 3,950 residential units, with the Final EIS envisioning a total of 4,871 units for the entire Village. To fulfill this vision, the Applicant plans to accommodate the remaining housing units at the Project Site, integrating them into a mixed-use development designed to address the State's affordable housing needs. This cornerstone project will foster community cohesion and strengthen the Village's identity, aligning with the broader goals for the area.

In addition, the Applicant will obtain all required permits and comply with permit conditions to mitigate construction-related impacts.

HHFDC has analyzed the Project and concludes it will have the same level of environmental impacts as disclosed in the Final EIS. As the approving agency for this Project, HHFDC invokes HAR 11-200.1-11, that additional environmental review is not required.

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Nov 26, 2024

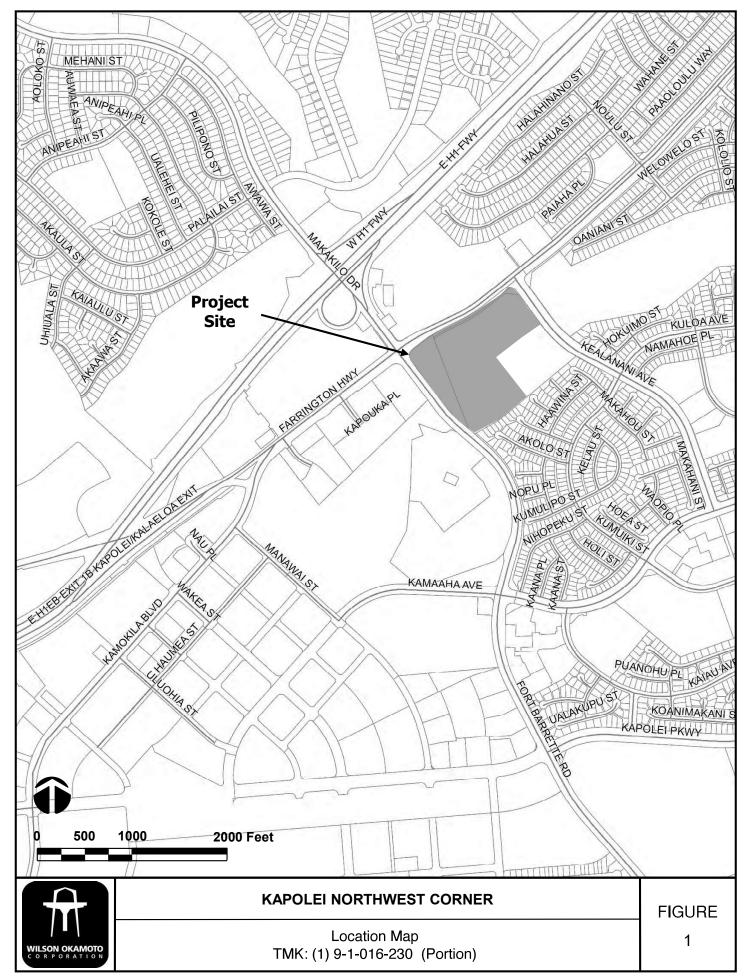
Signature of Director or Delegate

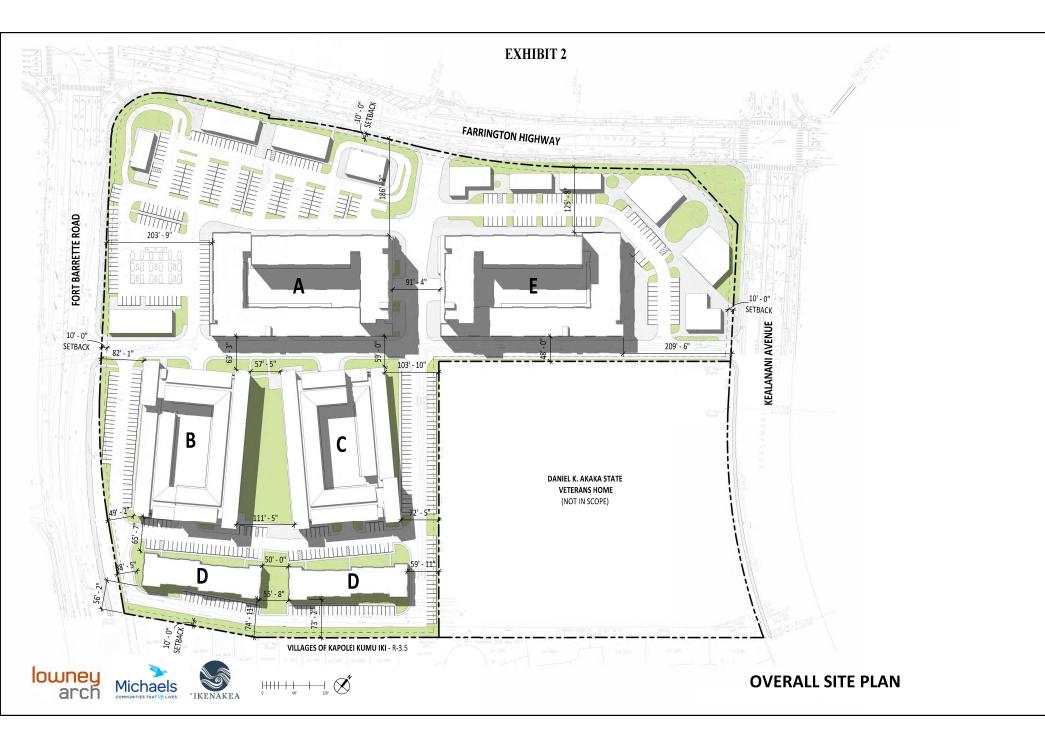
Date

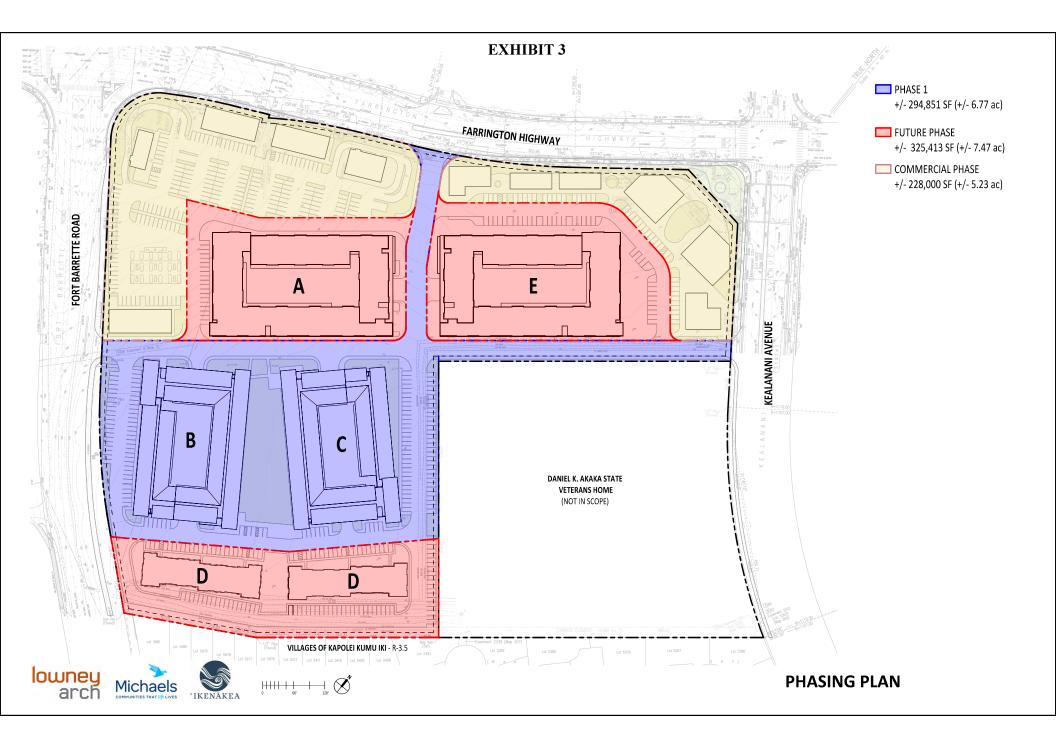
List of Exhibits:

Exhibit 1 – Location Map Exhibit 2 – Site Plan Exhibit 3 – Phasing Plan Exhibit 4 – Phase 1 Rendering Exhibit 5 – Elevations Exhibit 6 – Typical Consultation Letter (minus exhibits listed above) Exhibit 7 – DOT Comment Letter Exhibit 8 – OPSD Comment Letter Exhibit 9 – DOE Comment Letter

EXHIBIT 1













Facing Northeast **PHASE 1 RENDERING**





Facing Northwest PHASE 1 RENDERING







Facing East PHASE 1 RENDERING







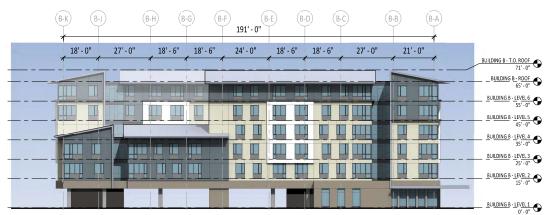
Facing Northeast **PHASE 1 RENDERING**

PHASE 1 - BUILDING B - NORTH & SOUTH ELEVATIONS





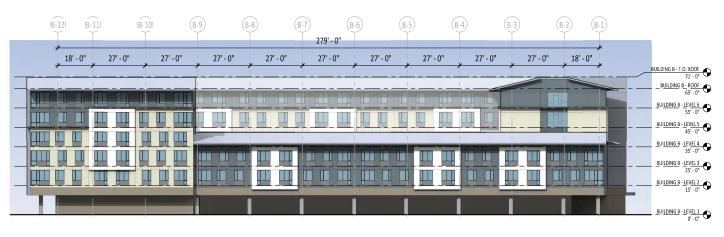




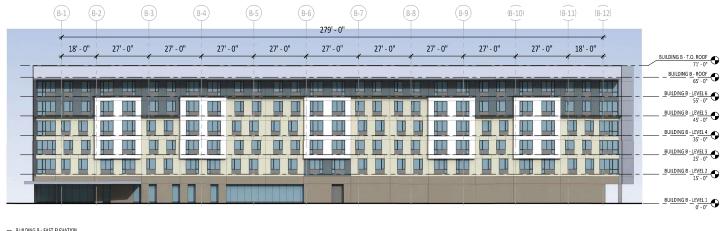
NOTE: BUILDING B IS SIMILAR TO BUILDING C. IT IS A ROTATED COPY EXCEPT FOR AT THE GROUND LEVEL.

EXHIBIT 5

NOTE: BUILDING B IS SIMILAR TO BUILDING C. IT IS A ROTATED COPY EXCEPT FOR AT THE GROUND LEVEL.



O BUILDING B - WEST ELEVATION







DUILDING B - EAST ELEVATION

PHASE 1 - BUILDING B - EAST & WEST ELEVATIONS



PHASE 1 - BUILDING C - NORTH & SOUTH ELEVATIONS



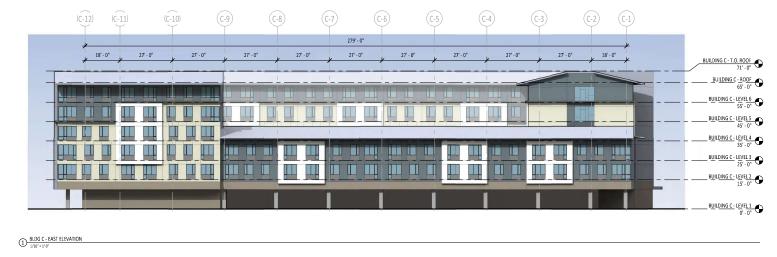
2 BLDG C - SOUTH ELEVATION



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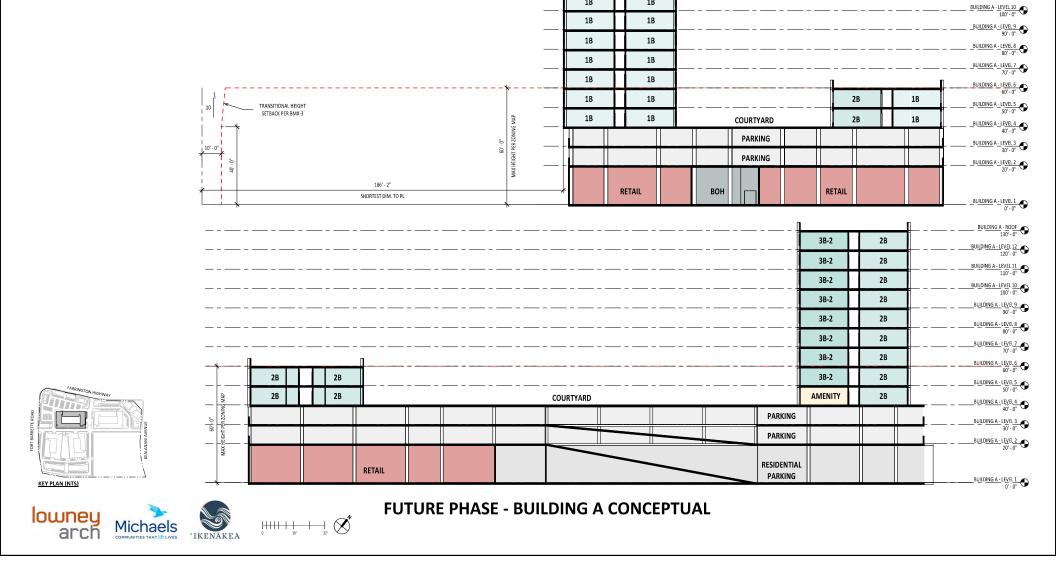
PHASE 1 - BUILDING C - EAST & WEST ELEVATIONS



BLDG C - WEST ELEVATION



NOTE: BUILDING C IS SIMILAR TO BUILDING B. IT IS A ROTATED COPY EXCEPT FOR AT THE GROUND LEVEL.



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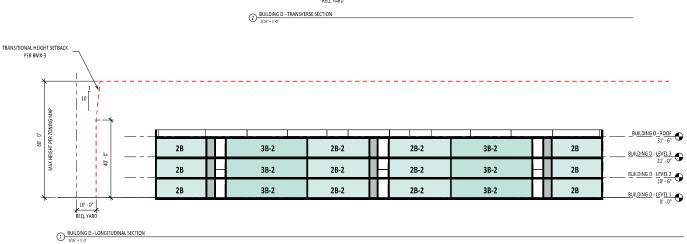
BUILDING A - ROOF 130' - 0"

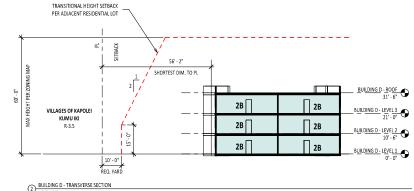
UILDING A - LEVEL 12 120' - 0"

BUILDING A - LEVEL 11 110' - 0"



FUTURE PHASE -BUILDING D CONCEPTUAL

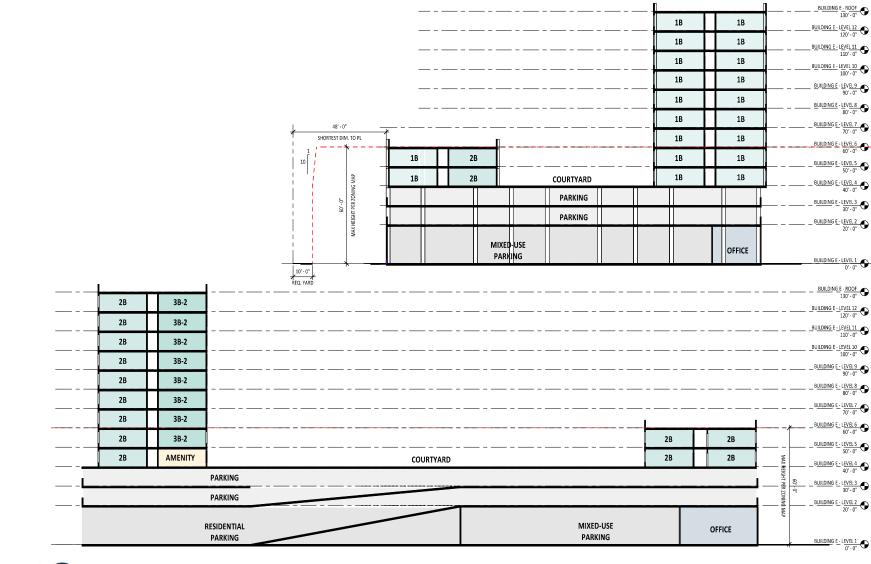






KEY PLAN (NTS)

FUTURE PHASE - BUILDING E CONCPTUAL



JOSH GREEN, M.D. GOVERNOR

SYLVIA LUKE



DEAN MINAKAMI EXECUTIVE DIRECTOR

STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION 677 QUEEN STREET, SUITE 300

HONOLULU, HAWAII 96813 FAX: (808) 587-0600 In Reply refer to: 24:PECB/112

October 22, 2024

Mr. Ed Sniffen, Director Hawaii Department of Transportation 869 Punchbowl Street Honolulu, Hawaii 96813

Dear Mr. Sniffen:

Subject: Consultation to Support Notice of Determination of No Additional Environmental Review to Satisfy Compliance with Chapter 343, Hawaii Revised Statutes Leiwili Kapolei Mixed-Use Development Project Tax Map Key (1) 9-1-016-230 (portion)

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On March 14, 2024, the RFP was awarded to a joint venture between 'Ikenākea Development LLC and The Michaels Organization called Villages of Kapolei JV LLC (Applicant). The Applicant is proposing to build the Leiwili Kapolei Mixed-Use Development Project (Project) over three phases, comprising up to 900 multi-family rental and for-sale residential units, and up to 95,000 square feet of commercial space.

As Originally Proposed in the Final EIS (1988)

On May 4, 1988, the *Kapolei Village Environmental Impact Statement* was accepted by Governor John Waihee (Final EIS).¹ The Final EIS covered the phased development of residential, commercial, public facilities, and park uses on approximately 830 acres of land, including the entirety of the Project Site.

The Final EIS included noise, traffic, flora and fauna, air quality, agricultural, and archeological studies. The Final EIS analyzed potential impacts on the following resources: agricultural, air quality, traffic, socio-economic, noise, topography and soils, flora and fauna, water, sewer, drainage, solid waste, power and communications. The Final EIS addressed potential impacts and provided mitigation measures for limiting environmental impacts.

Today, the Villages of Kapolei is comprised of nine villages with the following number of units:

Village	Description	Units	Total Units
Village 1	Kumuiki	519	519
Village 2	Aʻeloa	332	580
-	A'eloa Terrace	96	
	Aʻeloa Villas	72	
	A'eloa Seniors	60	
	A'eloa Seniors II	20	
Village 3	Malanai	296	384
	Malanai Iki	88	
Village 4	Kekuilani Palms	322	645
-	Kekuilani Makauli'i II	35	
	Kekuilani Villas	152	
	Kekuilani Courts	80	
	Kekuilani Gardens	56	
Village 5	ʻlwalani	273	550
	'Iwalani	31	
	'Iwalani	118	
	Kulalani	128	
Village 6	Maluʻohai	226	644
	Pae Ko Gardens	128	
	DHHL (unbuilt, but counted)	78	
	Kealakai	140	
	Villas at Maluohai	72	
Village 7	Kapolei Kai	204	204
Village 8	Kaupe'a	326	326
Village Center	Village Center – Nohona II	93	176
(subdivision)	Village Center – Nohona III	83	
	Total		4,028

To date, a total of 4,028 residential units have been built over the past 30-plus years, along with three public schools, a golf course, two recreation centers, a community park, and three smaller parks with tot lots.

¹ Link to the Accepted EIS: https://files.hawaii.gov/dbedt/erp/EA_EIS_Archive/1988-02-DD-OA-FEIS-Kapolei-Village.pdf

The Proposed Project, As Now Proposed (2024)

The Applicant proposes to develop the Project over three phases. See Exhibit 2 for the site plan and Exhibit 3 for the phasing plan.

Phase 1 is located on the southwest corner of the parcel adjacent to Fort Barrette Road and is approximately 6.77 acres in size. See Exhibit 3 for the current phasing plan and the configuration of the Project boundaries. This phase will consist of two multi-family, affordable rental housing buildings, Building B and Building C, each featuring 56 one-bedroom units, 67 two-bedroom units, and 49 three-bedroom units. Both buildings are planned to stand six stories tall with a height of 71 feet above ground level. Building B will have 182 parking stalls, and Building C will have 189 parking stalls for a total of 371 parking stalls.

Phase 2 is located closer to the northern quadrant of the parcel adjacent to Farrington Highway and is approximately 5.07 acres in size. This phase will include two multi-family, affordable rental housing buildings, Building A and Building E. Building A will consist of 72 one-bedroom units, 110 two-bedroom units, and 60 three-bedroom units. It will provide 344 parking stalls. Similarly, Building E will offer 72 one-bedroom units, 110 two-bedroom units, and 60 three-bedroom units, along with 357 parking stalls. Both buildings may reach up to 12 stories with a height of 130 feet above ground level. This phase will provide up to 52,000 square feet of commercial space on the ground floor level.

Phase 3 is located on the southern portion of the parcel and is approximately 2.40 acres in size. This phase will have two multi-family, fee-simple townhome buildings, collectively referred to as Building D. Each building includes 24 two-bedroom units and 12 three-bedroom units. Both structures will be three stories tall, with a height of 31.5 feet above ground level, and will offer 108 parking stalls in total.

		Project Summary		
	Phase 1	Phase 2	Phase 3	Totals
Buildings	2	2	2	6
Stories	6	Up to 12	3	N/A
Units	344	484	72	900
Residential Parking Spaces	371	701	108	1,454 ²
Commercial Space (sf)	0	52,000	43,000	95,000
Indoor Amenities (sf)	8,060	10,380	0	18,440
Outdoor Courtyards (sf)	28,970	37,460	0	66,430

37,030

47,840

0

84,870

The Project will also include approximately 43,000 square feet of standalone commercial space bordering the Project Site's upper perimeter. See table below for a summary of the elements.

Total Community & Recreation Areas (sf)

² Plus 274 stalls for commercial and retail = 1,454 parking stalls total.

It is noted that Phase 2 and Phase 3 are conceptual at this point, and the details of them may be adjusted, as the final configuration will depend on community input as well as the availability of financing.

Two financing scenarios are being considered for the Project.

In the first scenario, the Applicant will seek a combination of Low-Income Housing Tax Credits and financing from the Rental Housing Revolving Fund (RHRF), and/or other State financing programs. In this scenario, the Applicant commits to setting aside units based on the following income and affordability restrictions for the rental portion of the Project listed below for 75 years.

	Number of Units			
Restricted at the Area Median Income (AMI)	Phase 1	Phase 2	Phase 3	Total
30% to 60% of the AMI	342	0	0	342
80% to 100% of the AMI	0	480	0	480
Total Affordable Rental Units	342	480	0	822
Manager's Units	2	4	0	6
For Sale (leasehold) 110% and 140% of the AMI	0	0	72	72
Total Number of Units	344	484	72	900

In the second scenario, the Applicant will seek financing from the RHRF Tier 2 Moderate Income Funding Program. In this scenario, the Applicant commits to setting aside units based on the following income and affordability restrictions for the rental portion of the Project listed below for 75 years.

	Number of Units			
Restricted at the Area Median Income (AMI)	Phase 1	Phase 2	Phase 3	Total
80% to 100% of the AMI Rental Units	342	480	0	822
Manager's Units	2	4	0	6
For Sale (leasehold) 110% and 140% of the AMI	0	0	72	72
Total Number of Units	344	484	72	900

Under each scenario, HHFDC will be the approving agency for HRS 343 compliance because of the use of State financing programs.

The Applicant will seek exemptions from certain City and County of Honolulu (CCH) requirements relating to zoning, such as height and development fees. The Applicant will also seek exemptions from certain HRS sections, as suspended under the Governor's Nineth Proclamation Relating to Affordable Housing dated October 10, 2024 (the EP), as may be succeeded by a similar emergency proclamation. Exemptions include the Hawaii Department of

Education School Impact Fees and approval from the City Council. See Project Summary for a complete list of exemptions.

The Applicant has conducted and continues to schedule public outreach activities to solicit agency and public input, understand any concerns, and answer questions. The following is a partial list of groups and agencies consulted:

- 1. Villages of Kapolei Association.
- 2. Makakilo/Kapolei/Honokai Hale Neighborhood Board No. 34.
- 3. Hawaii Office of Veterans Services and State Veteran's Home.
- 4. Hawaii Department of Transportation.
- 5. City and County of Honolulu, Department of Planning and Permitting, and Department of Transit Services.

Determination of No Additional Environmental Review

Section 11-200.1-11, Hawaii Administrative Rules (HAR), provides that when an agency is considering whether a prior exemption, an environmental assessment (EA) with a finding of no significant impact, or an accepted environmental impact statement (EIS) satisfies Chapter 343, Hawaii Revised Statutes (HRS) for a proposed action, the agency may determine that additional environmental review is not required if it meets the following criteria:

- 1. The proposed action was a component of, or is substantially similar to, an action that received an exemption, an EA with a finding of no significant impact, or an accepted EIS;
- 2. The proposed action is anticipated to have direct, indirect, and cumulative effects similar to those analyzed in a prior exemption, an EA with a finding of no significant impact, or an accepted EIS; and
- 3. In the case of an EA with a finding of no significant impact or an accepted EIS, the proposed action was analyzed within the range of alternatives.

The Final EIS contained studies that were prepared in the 1980s. To provide the most current information on the areas of concern, four new studies were prepared:

1. The Applicant's traffic engineer prepared a Traffic Impact Assessment Report (TIAR) Update (completed in July 2024) to analyze transportation impacts resulting from the development of the Project. It incorporated changes from a previously prepared TIAR completed in December 2022 for the Project Site. This updated TIAR includes a

Mobility Analysis that addresses transportation impacts and includes mitigation recommendations for all modes of transportation. The Mobility Analysis accounts for the existing vehicular traffic in the area and considers the cumulative transportation impact of the entire Project.

- 2. The Final EIS did not contain a Cultural Impact Assessment (CIA) since such a study was not required under existing laws in 1988. To meet this requirement, the Applicant's consultant updated a CIA (completed in June 2024) that was prepared for the Hawaii State Veterans Home project. The updated CIA included a small portion of the Project Site that was excluded from the Hawaii State Veterans Home CIA.
- 3. The Applicant's civil engineer prepared a new Preliminary Engineering Report (PER) for the proposed Project (completed in August 2024). The purpose of the PER is to identify existing site conditions and the potential impacts the Project may have on existing public infrastructure systems such as water, wastewater, and drainage.
- 4. The Applicant's consultant prepared a Phase I Environmental Site Assessment (ESA) (completed in July 2024). The purpose of the ESA is to document the current environmental conditions of the Project Site and to satisfy due diligence requirements.

The Project and Final EIS meet the above criteria in the following ways:

- 1. The scope of the development of the Villages of Kapolei has not changed and the Project is substantially similar to the original concept of a planned residential community with a full range of community support facilities as proposed and analyzed in the Final EIS.
- 2. The Project is anticipated to have direct, indirect, and cumulative effects similar to those analyzed in the Final EIS, and the environmental setting and probable environmental impacts as described in the Final EIS have not substantially intensified or changed. TIAR, CIA, PER, and ESA were prepared to provide updated information for analysis and to support the HAR 11-200.1-11 determination, which is summarized in the attached impacts matrix.
- 3. The Project is consistent with the Final EIS, as commercial use was always contemplated on the Project Site in each of the alternatives discussed. A variety of housing choices were also analyzed within the range of alternatives. The Villages of Kapolei currently features 4,028 residential units, with the Final EIS envisioning a total of 4,871 units for the entire Village. To fulfill this vision, the Applicant plans to accommodate the remaining housing units at the Project Site, integrating them into a mixed-use development designed to address the State's affordable housing needs. This cornerstone project will foster community cohesion and strengthen the Village's identity, aligning with the broader goals for the area.

In addition, the Applicant will obtain all required permits and comply with permit conditions to mitigate construction-related impacts.

HHFDC has analyzed the Project and believes it will have the same level of environmental impact as disclosed in the Final EIS. As the approving agency for this Project, HHFDC is notifying agencies of its intent to invoke HAR 11-200.1-11, but is consulting with agencies to provide a transparent process in its determination that the Final EIS is applicable to the Project and that additional environmental review is not required.

If you have any comments or concerns regarding this determination, HHFDC seeks your input by November 22, 2024, before it proceeds with this action.

If you have any other questions, please have your staff contact Mr. Dean Watase, Housing Planning Manager, at 587-0639 or by email at dean.k.watase@hawaii.gov.

Sincerely,

Chris Woodard Chief Planner

Attachment

JOSH GREEN, M.D. GOVERNOR KE KIA'ĀINA

Exhibit 7



STATE OF HAWAI'I | KA MOKU'ĀINA 'O HAWAI'I DEPARTMENT OF TRANSPORTATION | KA 'OIHANA ALAKAU

869 PUNCHBOWL STREET HONOLULU, HAWAII 96813-5097 EDWIN H. SNIFFEN DIRECTOR KA LUNA HO'OKELE

Deputy Directors Nā Hope Luna Ho'okele DREANALEE K. KALILI TAMMY L. LEE CURT T. OTAGURO ROBIN K. SHISHIDO

IN REPLY REFER TO

DIR 0001032 STP 8.3849

November 7, 2024

VIA EMAIL: dean.k.watase@hawaii.gov

- TO: JAMES KUNANE TOKIOKA, DIRECTOR DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM
- THROUGH:DEAN MINAKAMI, EXECUTIVE DIRECTORHAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
- FROM: EDWIN H. SNIFFEN
- SUBJECT: CONSULTATION TO SUPPORT NOTICE OF DETERMINATION OF NO ADDITIONAL ENVIRONMENTAL REVIEW TO SATISFY COMPLIANCE WITH CHAPTER 343, HAWAII REVISED STATUTES LEIWILI KAPOLEI MIXED-USE DEVELOPMENT PROJECT KAPOLEI, OAHU, HAWAII TAX MAP KEY: (1) 9-1-016: 230 (portion)

Thank you for your letter, dated October 22, 2024, requesting the Hawaii Department of Transportation's (HDOT) review and comments on the subject project. HDOT understands Hawaii Housing Finance and Development Corporation (HHFDC) has awarded development rights to a joint venture between Ikenakea Development LLC and The Michaels Organization called Villages of Kapolei JV LLC (Applicant) for the development of a 19.473-acre parcel within the master-planned community Villages of Kapolei. The project is proposed to be developed in 3 phases and be comprised of approximately 900 multi-family rental and for sale residential units, and up to approximately 95,000 square feet of commercial space.

HDOT has no objections or comments on HHFDC's Determination of No Additional Environmental Review for the subject project. We wish to inform HHFDC that HDOT has recently reviewed a 201H application for this project and provided comments to the Applicant in the attached letter STP 8.3846 dated October 24, 2024.

Please submit any subsequent land use entitlement-related requests for review or correspondence to the HDOT Land Use Intake email address at DOT.LandUse@hawaii.gov.

JAMES KUNANE TOKIOKA, DIRECTOR November 7, 2024 Page 2

If there are any questions, please contact Mr. Blayne Nikaido, Planner, Land Use Section of the HDOT Statewide Transportation Planning Office at (808) 831-7979 or via email at blayne.h.nikaido@hawaii.gov.

Attachment

STP 8.3849

EDWIN H. SNIFFEN DIRECTOR KA LUNA HO'OKELE

Deputy Directors Nā Hope Luna Ho'okele DREANALEE K. KALILI TAMMY L. LEE CURT T. OTAGURO ROBIN K. SHISHIDO

IN REPLY REFER TO:

DIR 0000947 STP 8.3846

STATE OF HAWAI'I | KA MOKU'ĀINA 'O HAWAI'I DEPARTMENT OF TRANSPORTATION | KA 'OIHANA ALAKAU 869 PUNCHBOWL STREET HONOLULU, HAWAII 96813-5097

October 24, 2024

VIA EMAIL: dsimonich@tmo.com keegan.flaherty@ikenakea.com

Mr. Daniel Simonich Michaels Development 737 Bishop Street, Suite 2020 Honolulu, Hawaii 96813

Dear Mr. Simonich:

Subject: 201H Exemption - Leiwili Kapolei (Northwest Corner Kapolei) Affordable Housing Development Kapolei, Oahu, Hawaii Tax Map Key: (1) 9-1-016: 230 (portion)

Thank you for your letter, dated September 25, 2024, requesting the Hawaii Department of Transportation's (HDOT) review and comments on the subject project. HDOT understands Ikenakea Development, and Michaels Organization proposes developing a 19.5-acre site as an affordable mixed-use community in Kapolei, Oahu.

HDOT has the following comments:

- The proposed residence project is approximately 1.5 miles from the property boundary of Kalaeloa Airport (JRF). All projects within 5 miles from Hawaii State airports are advised to read the Technical Assistance Memorandum (TAM) for guidance with development and activities that may require further review and permits. The TAM can be viewed at this link: <u>http://files.hawaii.gov/dbedt/op/docs/TAM-FAA-DOTAirports_08-01-2016.pdf</u>.
- 2. The project site is approximately 9,600 feet from the end of Runway 22R at JRF. Federal Aviation Administration (FAA) regulation requires the submittal of FAA Form 7460-1 Notice of Proposed Construction or Alteration pursuant to the Code of Federal Regulations, Title 14, Part 77.9, if the construction or alteration is within 20,000 feet of a public use or military airport which exceeds a 100:1 surface from any point on the runway of each airport with its longest runway more than 3,200 feet. Construction equipment and staging area heights, including heights of temporary construction cranes,

shall be included in the submittal. The form and criteria for submittal can be found at the following website: https://oeaaa.faa.gov/oeaaa/external/portal.jsp. Please provide a copy of the FAA response to the Part 77 analysis to the HDOT Airport Planning Section.

- 3. Due to the project's proximity to JRF, the applicant and future residents should be aware of potential single-event noise from aircraft operations. There is also a potential for fumes, smoke, vibrations, odors, etc., resulting from occasional aircraft flight operations over or near the project. These incidences may increase or decrease over time and are dependent on airport operations.
- 4. If a solar energy photovoltaic (PV) system is going to be installed, be aware that PV systems located in or near the approach path of aircrafts can create a hazardous condition for pilots due to possible glint and glare reflected from the PV panel array. If glint or glare from the PV array creates a hazardous condition for pilots, the owner of the PV system shall be prepared to immediately mitigate the hazard upon notification by the HDOT and/or FAA.

The FAA requires a glint and glare analysis for all solar energy PV systems near airports. The <u>www.sandia.gov/glare</u> website has information and guidance with the preparation of a glint and glare analysis. A separate FAA Form 7460-1 will be necessary for the solar energy PV system. After the FAA determination of the Form 7460-1 glint and glare analysis, a copy shall be provided to the HDOT Airport Planning Section by the owner of the solar energy PV system.

Solar energy PV systems have also been known to emit radio frequency interference (RFI) to aviation-dedicated radio signals, thereby disrupting the reliability of air-to-ground communications. Again, the owner of the solar energy PV system shall be prepared to immediately mitigate the RFI hazard upon notification by the HDOT and/or FAA.

- 5. The proposed development shall not provide landscape and vegetation that will create a wildlife attractant, which can potentially become a hazard to aircraft operations. Please review the <u>FAA Advisory Circular 150/5200-33C</u>, <u>Hazardous Wildlife Attractants On Or Near Airports</u> for guidance. If the project's landscaping creates a wildlife attractant, the developer shall immediately mitigate the hazard upon notification by the HDOT and/or FAA.
- 6. The applicant should implement strategies to reduce carbon emissions from the project, if any. Suggestions include:
 - a. Incorporate elements that encourage and enhance the use of multiple types of transportation to reduce carbon emissions.

Mr. Daniel Simonich October 24, 2024 Page 3

- b. Implement energy-efficient technologies and practices, such as LED lighting.
- c. Use sustainable, recycled, or low-emission materials in construction and manufacturing.

Please submit any subsequent land use entitlement-related requests for review or correspondence to the HDOT Land Use Intake email address at DOT.LandUse@hawaii.gov.

If there are any questions, please contact Mr. Blayne Nikaido, Planner, Land Use Section of the HDOT Statewide Transportation Planning Office at (808) 831-7979 or via email at blayne.h.nikaido@hawaii.gov.

Sincerely,

EDWIN H. SNIFFEN Director of Transportation

c: Mr. Keegan Flaherty, Ikenakea Development

From:	<u>Nakayama, Megumi</u>
To:	Watase, Dean K; Woodard, Christopher
Cc:	<u>Balassiano, Katia</u>
Subject:	Leiwili Kapolei Mixed-Use Development Project
Date:	Thursday, October 24, 2024 2:34:12 PM
Attachments:	image002.png

Sending on behalf of Katia Balassiano, Planning Program Administrator, Office of Planning & Sustainable Development

Aloha,

Subject: Consultation to Support Notice of Determination of No Additional Environmental Review to Satisfy Compliance with Chapter 343, Hawaii Revised Statutes Leiwili Kapolei Mixed-Use Development Project Tax Map Key (1) 9-1-016-230 (portion)

Thank you for the opportunity to review. The Office of Planning and Sustainable Development has no comments at this time.

Mahalo,

Katia Balassiano <u>katia.balassiano@hawaii.gov</u> (808) 587-2885

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STATE OF HAWAI'I OFFICE OF PLANNING & SUSTAINABLE DEVELOPMENT

Leiopapa A Kamehameha 235 South Beretania Street, 6th Floor · Honolulu, Hawai'i · 96813 PO Box 2359 · Honolulu, Hawai'i · 96804-2359 Phone (808) 587-2846 · Fax (808) 587-2824 JOSH GREEN, M.D. GOVERNOR



KEITH T. HAYASHI SUPERINTENDENT

STATE OF HAWAI'I DEPARTMENT OF EDUCATION KA 'OIHANA HO'ONA'AUAO P.O. BOX 2360 HONOLULU, HAWAI'I 96804

OFFICE OF FACILITIES AND OPERATIONS

November 22, 2024

Mr. Chris Woodard Chief Planner Hawaii Housing Finance and Development Corporation 677 Queen Street, Suite 300 Honolulu, Hawaii 96813

Re: Consultation to Support Notice of Determination of No Additional Environmental Review to Satisfy Compliance with Chapter 343, Hawaii Revised Statutes, Leiwili Kapolei Mixed-Use Development Project, Tax Map Key No.: (1)9-1-016:230 (portion)

Dear Mr. Woodard:

Thank you for your letter dated October 22, 2024. The Hawaii State Department of Education (Department) has reviewed the information provided and offers the following comments regarding the Leiwili Kapolei Mixed-Use Development Project (Project).

The proposed Project is situated within the Kapolei Elementary School, Kapolei Middle School, and Kapolei High School service boundaries. Regardless if the applicant decides to seek an exemption from School Impact Fees pursuant to the Governor's Ninth Proclamation Relating to Affordable Housing dated October 10, 2024, the Department would appreciate further consultation as it pursues further entitlements.

Should you have any questions, please contact Cori China of the Facilities Development Branch, Planning Section, at (808) 784-5080 or via email at cori.china@k12.hi.us.

We appreciate the opportunity to comment.

Sincerely

Roy Ikeda Interim Public Works Manager Planning Section

RI:ctc

c: Sean Tajima, Complex Area Superintendent, Campbell-Kapolei Complex Area Facilities Development Branch

AN AFFIRMATIVE ACTION AND EQUAL OPPORTUNITY EMPLOYER