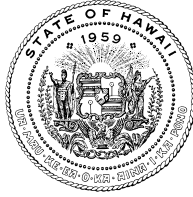


JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



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:

26:PECB/46

April 24, 2026

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

Dear Ms. Evans:

Subject: Environmental Assessment Exemption Notice
Kauwela Apartments (Project)
Tax Map Key: (1) 2-7-007:050

Pursuant to administrative rules promulgated under the authority of Section 343-6(5), Hawaii Revised Statutes; and under sections 11-200.1-15, 11-200.1-16, and 11-200.1-17, Hawaii Administrative Rules, this letter serves as notification and a request for publication that the Hawaii Housing Finance and Development Corporation (HHFDC) has declared this Project exempt from the preparation of an environmental assessment.

Kauwela Apartments 1 LLC (Applicant) plans to demolish and remove four existing residential structures located at 2118 Citron Street (Project Site) in Honolulu between Wiliwili and Paani Streets and replace them with 42 new affordable rental units. Situated on a 0.2755 acre or 12,000 square foot parcel, the Project Site will include one five-story building. Unit layouts will include four studios and 38 one-bedroom apartments to serve different household sizes.

After careful analysis outlined in the attachment, HHFDC has evaluated the Project's primary, secondary, and cumulative impacts, and concluded that it is not anticipated to have significant environmental effects.

Sincerely,

Dean Minakami
Executive Director

Attachment

KAUWELA APARTMENTS PROJECT ENVIRONMENTAL ASSESSMENT EXEMPTION NOTICE

Pursuant to Chapter 343, Hawaii Revised Statutes (HRS 343) and
Section 11-200.1, Hawaii Administrative Rules (HAR 11-200.1)

AGENCY OR APPLICANT ACTION

- This exempted action is an agency action as defined by HRS 343-5(b) and HAR 11-200.1-8.
- This exempted action is an applicant action as defined by HRS 343-5(e) and HAR 11-200.1-9.

EXEMPTION TYPE

The Exemption Notice for the action described below is based on HHFDC's comprehensive exemption list,¹ which mirrors and exceeds the exemption criteria for the demolition of structures and construction of new affordable housing projects under HAR 11-200.1-15(c).

- 6. Demolition of structures, except those structures that are listed on the national register or Hawaii Register of Historic Places.

Part 2 Actions – Includes structures that require further consideration because of their potential impacts to the surrounding community. For example, demolition of structures that contains high levels of hazardous materials; demolition of structures that creates significant noise, fugitive dust or other adverse impacts; or demolition of structures that leads to a loss of amenities for the public.

- 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. The Project has the use of state or county lands or funds or is within Waikiki as the sole triggers for compliance with HRS 343;
 - B. The Project conforms with the existing state urban land classification;
 - C. The Project is consistent with the existing county zoning classification that allows housing; and
 - D. The Project does not require variances for shoreline setbacks or siting in an environmentally sensitive area, as stated in HAR 11-200.1-13(b)(11).

¹ As concurred in by the Environmental Advisory Council on November 1, 2022, see: https://files.hawaii.gov/dbedt/erp/Agency_Exemption_Lists/State-Hawaii-Housing-and-Finance-Development-Corporation-2022-11-01-Exemption-List.pdf

Part 2 Actions – Development of affordable housing provided pre-assessment consultations were conducted to determine the appropriateness of preparing an exemption notice or requiring an environmental assessment.

2. Construct multi-family residential units including, but not limited to, grading; roadway and traffic systems; utility systems; dwelling units; landscaping; and ancillary facilities; provided all applicable approvals and administrative permits are obtained.

DESCRIPTION OF ACTION

Proposing Agency or Applicant: Kauwela Apartments 1 LLC² (Applicant) is located at 55 Merchant Street, Suite 1820, Honolulu, HI 96813. The Hawaii Housing Finance and Development Corporation (HHFDC) is the approving agency of this exemption notice.

Project Name & Address/Location: Kauwela Apartments Project (Project) is located at 2118 Citron Street; Waikiki Ahupuaa; Honolulu, HI 96826 (Project Site).

Estimated Construction Schedule: Construction start: January 2027 / Construction completion: March 2028

Tax Map Key (TMK) and latitude/longitude coordinates (in decimal degrees): TMK: (1) 2-7-007:050; Coordinates: 21.292307, -157.82944

Anticipated Permits, Approvals, and Notifications:

Permitting Agency	Permit Type
City and County of Honolulu (CCH)	Demolition, grading, trenching, and building permits (DPP) Construction dewatering permit (DPP) Foundation and structure permits (DPP) Wastewater and stormwater connection permits (DPP) Site Development Division approval (DPP) Surface runoff from construction activities entering into City’s storm sewer system (DPP) Storm Water Quality Fee (DPP) Construction Plan Review (DTS, DDC) Street usage permit (DTS) Water Availability Approval and Construction Plan Review (BWS) Honolulu Fire Department review Certificate of Occupancy (DPP)
State of Hawaii	Community noise permit (DOH) Air conditioning and ventilation permit (DOH) ADA Coordination (DCAB) Pre-Building Permit Review (solar water heating compliance) (DBEDT) Chapter 6E, HRS review (SHPD)

² Consultation letter dated March 3, 2026, erroneously named Core Tech Development LLC as the Applicant. Kauwela Apartments 1 LLC is the project-specific owner, which is owned and managed by Core Tech Development LLC.

NARRATIVE

Kauwela Apartment 1 LLC proposes to demolish and replace four existing residential structures with one five-story building, consisting of a of a four-story wood-frame residential housing complex built atop a shared single-story concrete podium. The project will include 26 vehicular parking stalls, storage for 16 bicycles, and one loading stall, as well as amenities including a community room, management office, laundry room, open terrace with seating area in landscape, and a photovoltaic system.

The table below shows the units to be provided. The Applicant commits to setting aside all units as affordable in perpetuity.

RESTRICTED AT THE AMI	STUDIO	1 BEDROOM	TOTAL
80% of the AMI	0 units	4 units	4 units
60% of the AMI	0 units	14 units	14 units
50% of the AMI	0 units	18 units	18 units
30% of the AMI	4 units	2 units	6 units
Total Number of Units	4 Units	38 Units	42 Units

The Applicant has submitted the Project for an award under the Low-Income Housing Tax Credit program. Additionally, the Applicant will seek financing from the Rental Housing Revolving Fund, Hula Mae Multi-Family Program, and/or other State financing programs. Consequently, HHFDC will be the approving agency for HRS 343 compliance purposes due to the use of these State financing programs. Lastly, the Applicant is considering applying for a grant under the City and County of Honolulu (CCH) Affordable Housing Fund.

ENVIRONMENTAL ANALYSIS

HHFDC has considered the potential effects of the Project and all related activities against the criteria checked below:

- | | |
|---|--------------------------|
| | Not Applicable |
| <input checked="" type="checkbox"/> Land Use and Zoning Conformance | <input type="checkbox"/> |
| <input checked="" type="checkbox"/> Traffic (Vehicles, Bicycles, Pedestrian) | <input type="checkbox"/> |
| <input checked="" type="checkbox"/> Infrastructure (Roads, Building, Utilities) | <input type="checkbox"/> |
| <input checked="" type="checkbox"/> Social-Economic | <input type="checkbox"/> |
| <input checked="" type="checkbox"/> Public Health and Safety | <input type="checkbox"/> |
| <input checked="" type="checkbox"/> Recreational Resources | <input type="checkbox"/> |
| <input checked="" type="checkbox"/> Cultural, Historic, and Archeological Resources | <input type="checkbox"/> |
| <input checked="" type="checkbox"/> Visual and Aesthetic Resources | <input type="checkbox"/> |
| <input checked="" type="checkbox"/> Terrestrial and Avian Resources | <input type="checkbox"/> |
| <input checked="" type="checkbox"/> Surface and Ground Water Resources | <input type="checkbox"/> |
| <input checked="" type="checkbox"/> Wetlands, Floodplains, and Riparian/Coastal Resources | <input type="checkbox"/> |
| <input checked="" type="checkbox"/> Air Quality Pollutant Emissions | <input type="checkbox"/> |
| <input checked="" type="checkbox"/> Noise Emissions | <input type="checkbox"/> |
| <input checked="" type="checkbox"/> Solid, Hazardous, and Liquid Waste Emissions | <input type="checkbox"/> |
| <input type="checkbox"/> Other | <input type="checkbox"/> |

Relevant environmental analysis of the Project is provided below:

1. *Land Use and Zoning.* The Project Site is within CCH A-2 Medium Density Apartment zoning district, which allows medium-density, multi-family dwellings.
2. *Traffic.* Ingress and egress to the Project will be through the main driveway located on Citron Street, which is a two-way, two-lane roadway. Currently, there are an average of six cars parked on the existing parcels daily. This Project would add 26 total parking stalls, which is an increase of 20 additional vehicles that could use the roadways. The addition of 20 vehicles will have a minimal impact on traffic conditions.
3. *Infrastructure.* The Applicant's consultant prepared a Preliminary Engineering Report (PER) for the Project.

Water: The existing water system in the McCully area includes an 8-inch cast-iron main along Citron Street. The CCH Board of Water Supply (BWS) determined that the existing water system can support the 42-unit development but noted capacity issues from the Halawa Shaft shutdown, which will require a final evaluation.

Sewer: The Project is served by two existing 6-inch sewer laterals that connect to the municipal sanitary sewer system along the makai side of the property, along Citron Street. These laterals combine into a single connection to the 6" main sewer line. CCH, Department of Planning and Permitting, Wastewater Branch approved a sewer connection application confirming system capacity on October 31, 2024.

Drainage: The Project will comply with the Stormwater Quality Standards adopted by CCH. No underground drainage system is available within Citron Street to convey stormwater runoff. All building roof drainage will be discharged at grade, which will be comprised of both impervious and pervious surfaces. A retention system will be installed to capture any increase in runoff between pre-existing and proposed conditions. Landscaped areas will be installed on both the ground floor and the second level of the building, aiding in runoff reduction. Additional drainage features, such as swales will facilitate proper water conveyance around the site. Since the Project Site is located within the FEMA Zone AO, the lowest finished floor elevation will be set at least 3 feet above the highest existing adjacent grade to ensure flood resilience.

Electricity: Hawaiian Electric Company sent a correspondence on October 24, 2024, stating that while an existing circuit on Citron Street may serve the Project, detailed plans and load data are needed to assess potential upgrades or new circuits.

Telephone and Cable Services: Hawaiian Telecom sent a Will Serve Letter on November 4, 2024, confirming readiness to provide telecom services. Spectrum sent a Will Serve Letter on October 10, 2024, confirming readiness to provide telecom services.

4. *Visual.* The project is located within the Primary Urban Center in an urbanized area designated for urban development. There is a mix of low- to high-rise residential buildings within the Project's vicinity, with South King Street to the north serving as a high-intensity commercial corridor with various retail establishments, restaurants, and office facilities. The Project is in an area known as the Moiliili district and is not located within a special district or designated place.

Within this context, while the Project may have a visual impact compared to existing conditions, the Project is in an area where high-density urban development is planned and anticipated. To mitigate visual impacts, the Project design includes appropriate setbacks, attention to orientation and massing, and activation of street-level views.

5. *Flood.* The Project Site is in the AO flood zone and the Extreme Tsunami Zone. In consultation with DPP, the Project's lowest finished elevated floor elevation will be set at least 3 feet above the highest existing adjacent grade as a mitigation measure against potential flooding and to ensure flood resilience. The Project will additionally comply with all other requirements of ROH 21A for construction within the AO flood zone.
6. *Cultural, Historic, and Archeological Resources.* The Applicant's archaeological consultant has prepared an archaeological inventory survey plan, in preparation for an archaeological inventory survey to be conducted in the project area, per a State Historic Preservation Division (SHPD) HRS 6E review letter dated May 23, 2025.

The Applicant's historic architecture consultant has prepared a Reconnaissance Level Survey (RLS) of the existing structures. The RLS concludes that while the Project will result in an effect on the existing structures, due to the demolition thereof, the Project should be permitted to continue with the proposed mitigation: architectural recordation and historical data recovery.

The archaeological inventory survey plan and the RLS have been submitted to SHPD for SHPD's review and acceptance as part of the HRS Chapter 6E process. The Applicant will implement any mitigation deemed necessary by SHPD.

7. *Environmental Site Assessment and Controlled Recognized Environmental Condition.* The Applicant's environmental consultant prepared a draft Phase I Environmental Site Assessment (ESA) report. The Phase I ESA revealed no evidence of recognized environmental conditions (RECs), controlled recognized environmental conditions (CRECs), or significant data gaps in connection with the property.
8. *Noise.* The Project will cause an incremental increase in construction-related noise, but this will be temporary and is not anticipated to be significant in the surrounding area where the predominant source of noise would be from the vehicular traffic. If the noise emissions are above the standards stipulated in HAR-11-46 (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 constructions 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, along with other planned developments in the area will contribute to cumulative impacts. However, the Project and other projects in the area are consistent with the CCH's *General Plan* and *Primary Urban Center Development Plan*. The overall intensification of land uses within the South King Street and Citron Street corridor area is a goal of CCH's long-range vision for Oahu and is consistent with CCH's general development pattern goals. These plans emphasize keeping the existing urban core of Honolulu as the primary urban center of the island, with a secondary center in

Ewa, to keep Oahu's remaining rural areas rural. Thus, while the Project will contribute to cumulative impacts in the area, growth in this area is planned, desired, and anticipated.

In addition, the Project meets the four criteria under the Type 10 exemption in the following manner:

1. The sole trigger for compliance with HRS 343 is the use of State funds and lands as described above.
2. The Project Site is within the State Urban district.
3. The Project Site is zoned A-2 Medium Density Apartment District by the City and County of Honolulu (CCH). Housing and multifamily dwellings are permitted in the A-2 zone. The construction of 42 multifamily dwelling units is consistent with this designation.
4. The Project does not require variances for shoreline setbacks. The Project may be considered to be located in an environmentally sensitive area based on characteristics listed below (under HAR 11-200.1-13(b)(11), an environmentally sensitive area includes "flood plain, tsunami zone, sea level rise exposure area, beach, erosion-prone area, geologically hazardous land, estuary, fresh water, or coastal water"). Despite such siting, the Project's proposed mitigation measures address natural hazards related to the Project's location, which decrease the risk that the action will have a significant effect on the environment. The Project Site:
 - a. Is approximately one mile from the nearest shoreline and not within the Special Management Area.
 - b. Is in Flood Zone AO, a part of the flood fringe area, and does not require a variance for siting therein. Additionally, the Project will comply with all requirements of ROH Chapter 21A for construction within the AO Flood Zone, including, without limitation, having a lowest finished floor elevation at least three feet above the highest existing adjacent grade and one foot above the base flood elevation (BFE), which will serve as a mitigation measure against potential flooding and ensure flood resilience.
 - c. Does not contain any streams or wetlands, nor any designated critical habitat.
 - d. Is within the "Extreme Tsunami Zone", which is separate and distinct from a "Tsunami Zone", and covers only areas at risk in the event of an "extreme tsunami". As noted above, the Project's lowest finished floor elevation will be set at least three feet above the highest adjacent grade and one foot above BFE, serving as a mitigation measure against potential flooding. Additionally, there will be no residential uses on the building's first floor, providing an additional layer of protection against flooding for the Project's residents.

CONSULTATIONS

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

Agency/Community Outreach	Name	Consultation Date
McCully-Moiliili Neighborhood Board No. 08	Morgan Lee, Chair	03/03/2026
Hawaii Department of Transportation (DOT)	Ed Sniffen, Director	03/03/2026
Hawaii Department of Education (DOE)	Keith Hayashi, Superintendent	03/03/2026
Hawaii Department of Health (DOH)	Kenny Fink, Director	03/03/2026
Office of Planning and Sustainable Development (OPSD)	Mary Alice Evans, Director	03/03/2026
CCH, Department of Planning and Permitting (DPP)	Dawn Takeuchi-Apuna, Director	03/03/2026
CCH, Department of Housing and Land Management	Kevin Auger, Director	03/03/2026
CCH, Department of Transportation Services (DTS)	J. Roger Morton, Director	03/03/2026
CCH, Department of Design and Construction (DDC)	Haku Miles, Director	03/03/2026

The following comments were received during the HRS 343 comment period. Copies of comment letters received are available upon request.

Agency	Comment	Response
DPP	DPP, in their letter dated April 9, 2026, provided comments noting that the Project site is located within Flood Zone AO and the extreme tsunami zone.	Comment acknowledged.
DOE	DOE, in their letter dated April 2, 2026, had no comments except to note that the Project may have potential impacts on public school capacity. DOE requests early consultation to discuss Project phases, specific school impacts, and possible mitigation measures.	Comment acknowledged.
OPSD	OPSD, in their letter dated March 30, 2026, supports exempting the Project from preparing an Environmental Assessment based on the use of 6 and 10 exemption types.	Comment acknowledged.
DDC	DDC, in their letter dated March 11, 2026, had no comments.	Comment acknowledged.

MITIGATION

The Applicant will comply with all permit conditions required to mitigate construction-related impacts. No other mitigation is necessary.

EXEMPTION DECLARATION

Potential impacts of the Project have been evaluated in accordance with the significance criteria of HAR 11-200.1-13 and a discussion of the Project's conformance to the criteria is presented below:

1. Irrevocably commit a natural, cultural, or historic resource.

There are no known threatened or endangered species or critical habitats on the Project Site. Currently, there are no known cultural, archaeological, or historic resources of significance on the Project Site. The AIS has been submitted to and is currently under review with the State Historic Preservation Division.

2. *Curtail the range of beneficial use of the environment.*

The Project is in a highly urbanized area and is consistent with the CCH's *General Plan and Primary Urban Center Development Plan (2025)*. The *Primary Urban Center Development Plan* designates the Project Site as "Town Neighborhood – High" (a dense residential neighborhood environment that supports high-rise buildings but is made up of a wide variety of other large multi-unit building types, and is located within walking distance to high-intensity and transit-rich mixed-use areas). The commitment of land resources required for the Project will not curtail the range of beneficial uses of the environment such as natural habitats, or areas of biological significance.

3. *Conflict with the State's environmental policies or long-term goals established by law.*

The Project does not conflict with the policies and guidelines of HRS 343. The overall intensification of land uses within the area is a major goal of CCH's long-range vision for Oahu and is consistent with CCH's general development pattern goals. These plans emphasize keeping the existing urban core of Honolulu as the primary urban center of the island, with a secondary center in Ewa, to keep Oahu's remaining rural areas rural.

4. *Have a substantial adverse effect on the economic welfare, social welfare, or cultural practices of the community and State.*

In the short term, construction expenditures will provide positive benefits to the local economy in the form of construction-related jobs. In the long term, the Project will provide affordable housing opportunities for Hawaii's residents.

5. *Have a substantial adverse effect on public health.*

No identifiable adverse effects on public health or welfare are anticipated to result from the construction and operation of the Project.

6. *Involves adverse secondary impacts, such as population changes or effects on public facilities.*

The Project is not anticipated to induce population growth in the State as the Project is primarily affordable housing that can only be rented or sold to Hawaii residents. Minimal redistribution of population may occur as the Project will include up to 38 more units than are currently on the site. Thus, some Hawaii residents from outside the immediate Project area may choose to relocate to the Project. On a County-level and Statewide basis, substantial impacts on public facilities are not anticipated to result from the construction and operation of the Project as households that relocate to the Project from other parts of the County or the State would require similar public facilities. Thus, public facility funds from other areas could be allocated to public facilities serving the Project area.

7. *Involves a substantial degradation of environmental quality.*

The Project is not anticipated to substantially degrade environmental quality. Best Management Practices (BMPs) and appropriate erosion control measures will be utilized during the construction period.

8. *Be individually limited but cumulatively have substantial adverse effect upon the environment or involves a commitment for larger actions.*

The Project is limited to the development of an affordable housing project. There are no commitments for further action beyond the scope presented within this EA Exemption Notice.

9. *Have a substantial adverse effect on rare, threatened, or endangered species, or its habitat.*

The Project Site is not located near critical habitats and will be adjacent to existing residential and commercial developments of a similar nature. The Project is not anticipated to substantially affect rare, threatened, or endangered species, or their habitat.

10. *Have a substantial adverse effect on air or water quality or ambient noise levels.*

Construction activities will result in short-term air quality and noise impacts from the operation of construction equipment. Dust control measures, such as regular watering and sprinkling, and installation of dust screens will be implemented to minimize wind-blown emissions. Construction noise impacts will be mitigated through compliance with HAR 11-46. No long-term significant impacts on air or water quality, or noise levels within the Project Site are anticipated because of the Project.

11. *Have a substantial adverse effect on or likely to suffer damage by being located in an environmentally sensitive area such as a flood plain, tsunami zone, sea level rise exposure area, beach, erosion-prone area, geologically hazardous land, estuary, fresh water, or coastal waters.*

As noted above, the Project Site is located approximately one mile from the nearest shoreline, is outside of the Special Management Area (SMA), and does not contain streams, wetlands, or designated critical habitat. The site is therefore not subject to coastal resource impacts, shoreline processes, or environmentally sensitive habitat constraints typically associated with such areas.

The Project Site is, however, located within an AO flood zone, a flood fringe area, and the City's Extreme Tsunami Evacuation Zone. These conditions have been carefully evaluated and addressed through project planning and design to ensure that the development will not have a substantial adverse effect on the environment, nor will it be subject to undue risk of damage.

In coordination with DPP, the Project incorporates proactive flood resilience measures. The lowest finished floor elevation will be set a minimum of three (3) feet above the highest adjacent existing grade, exceeding minimum requirements and providing

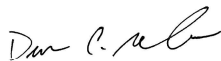
additional freeboard to account for localized ponding and storm events. The Project will also comply fully with all applicable provisions of Revised Ordinances of Honolulu (ROH) Chapter 21A related to development within the AO flood zone, including drainage, grading, and floodproofing requirements.

With respect to tsunami exposure, the site's inland location puts it outside of the City's "Tsunami Zone", which is separate and distinct from the City's "Extreme Tsunami Zone", significantly reducing risk relative to coastal areas. The Project will adhere to applicable life-safety and emergency preparedness requirements, including integration with established evacuation routes, and compliance with applicable building and planning regulations governing development within the Extreme Tsunami Zone.

Based on the above, the Project will not result in a substantial adverse environmental effect, nor is it likely to suffer significant damage due to its location. Instead, the Project has been thoughtfully designed to address identified environmental conditions and to enhance overall site resilience.

12. *Have a substantial adverse effect on scenic vistas and view planes, during day or night, identified in county or state plans or studies.* The Project will not result in significant impacts to view planes. Public views toward the Project Site are available from Citron Street at the Wiliwili Street intersection and the Citron Street and Paani Street intersection. The Project will not affect any of the Significant Public Views (neither Corridor Views nor Panoramic Views) as designated on Figures 2.4 and 2.5 of the Primary Urban Center Development Plan (2025).
13. *Requires substantial energy consumption or emit substantial greenhouse gases.* The Project will not require more energy than used for comparable projects.

HHFDC has considered primary, secondary, and cumulative impacts of the Project and has determined that the Project is not anticipated to have significant impacts on the environment. HHFDC as the approving agency for this Project has declared this Project is exempt from the preparation of an environmental assessment.



Signature of Director or Delegate

04/24/2026

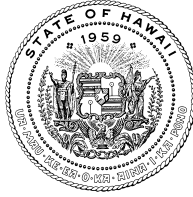
Date

Attachment: Typical Consultation Packet with the listed exhibits below:

- Exhibit 1 – Regional Location Map
- Exhibit 2 – Special Management Area Map
- Exhibit 3 – Flood Zone Map
- Exhibit 4 – Tsunami Zone Map
- Exhibit 5 – Wetlands Map
- Exhibit 6 – Critical Habitat Map

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



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:

26:PECB/25

March 3, 2026

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

Subject: Consultation for an Environmental Assessment Exemption
Kauwela Apartments Project
2118 Citron Street; Honolulu, Oahu
Tax Map Key (1) 2-7-007:050

Dear Mr. Sniffen,

In accordance with the State guidelines for preparing environmental review documents, the Hawaii Housing Finance and Development Corporation (HHFDC) is consulting with entities having jurisdiction or expertise to determine whether the Kauwela Apartments Project (Project) may be exempt from the preparation of an Environmental Assessment (EA) pursuant to the administrative rules promulgated under the authority of Chapter 343-6(5), Hawaii Revised Statutes (HRS); and under Sections 11-200.1-15, 11-200.1-16, and 11-200.1-17, Hawaii Administrative Rules (HAR). HHFDC seeks your input on the subject Project by April 2, 2026, to make this determination.

Core Tech Development LLC (Applicant) has submitted the Project for an award under the Low-Income Housing Tax Credit program. Additionally, the Applicant will seek financing from the Rental Housing Revolving Fund, Hula Mae Multi-Family Program, and/or other State financing programs. Consequently, HHFDC will be the approving agency for HRS 343 compliance purposes due to the use of these State financing programs. Lastly, the Applicant is considering applying for a grant under the City and County of Honolulu (CCH) Affordable Housing Fund.

The Project will be a 42-unit affordable rental project located at 2118 Citron Street (Project Site) in Honolulu, between Wiliwili and Paani streets (See Exhibit 1). The Applicant has site control of the Project Site by way of a Warranty Deed. The Project Site has a total land area of 0.2755 acre or 12,000 square feet, and is zoned A-2, Medium Density Apartment zoning district.

The Project Site is improved with the following four existing residential structures:

1. A single-family dwelling unit constructed in 1942 with a living area of approximately 1,007 square feet (sf);
2. A single-family dwelling unit constructed in 1945 with a living area of approximately 552 sf;
3. A two-family dwelling unit constructed in 1955 with a living area of approximately 1,000 sf; and
4. A two-family dwelling unit constructed in 1968 with a living area of approximately 1,040 sf.

The existing structures will be demolished and removed to permit the construction of one five-story building consisting of a four-story wood-frame residential housing complex built atop a shared single-story concrete podium. The Project will include 26 vehicular parking stalls, storage for 16 bicycles, and one loading stall, as well as amenities including a community room, management office, laundry room, open terrace with seating area in landscapes, and photovoltaic system.

The maximum height of the tallest building will be 57 feet above ground level, which is within the permissible height of 60 feet allowed under Bill 7. The exemptions to be sought with respect to this Project include a maximum encroachment of 5 feet into the front yard for one loading stall, and a maximum encroachment of 5 feet into the front yard for fire exit stairwells and fire corridors.

The Applicant will commit to set aside all units as affordable in perpetuity. Below is a matrix detailing the number of units by affordability restriction and bedroom type:

RESTRICTED AT THE AMI	STUDIO	1 BEDROOM	TOTAL
80% of the AMI	0 units	4 units	4 units
60% of the AMI	0 units	14 units	14 units
50% of the AMI	0 units	18 units	18 units
30% of the AMI	4 units	2 units	6 units
Total Number of Units	4 Units	38 Units	42 Units

HHFDC believes the Project may be declared exempt from the preparation of an environmental assessment based on HHFDC's comprehensive exemption list,¹ which mirrors and exceeds the exemption criteria for the demolition of structures and affordable housing projects under HAR 11-200.1-15(c). The exemptions that HHFDC believes the Project may be eligible for are as follows:

¹ As concurred in by the Environmental Advisory Council on November 1, 2022, see: https://files.hawaii.gov/dbedt/erp/Agency_Exemption_Lists/State-Hawaii-Housing-and-Finance-Development-Corporation-2022-11-01-Exemption-List.pdf

EXEMPTION TYPE 6: *Demolition of structures, except those structures that are listed on the national register or Hawaii Register of Historic Places.*

Part 2 Actions – *Includes structures that require further consideration because of their potential impacts to the surrounding community. For example, demolition of structures that contains high levels of hazardous materials; demolition of structures that creates significant noise, fugitive dust or other adverse impacts; or demolition of structures that leads to a loss of amenities for the public.*

Analysis: The existing structures on the parcel are not on the Hawaii Register of Historic Places, but were constructed in 1942, 1945, 1955, and 1968, which means all structures are over 50 years old and thus are considered historic properties.

The Applicant conducted a Reconnaissance Level Survey (RLS), which found that the demolition of existing structures will have an impact on historic properties. However, the RLS indicated that the Project could proceed with mitigation measures in place. The RLS was submitted to the State Historic Preservation Division (SHPD) for review. The Applicant will follow mitigation measures during the Project's development. Additionally, the Applicant has prepared a draft *Relocation Plan* for the relocation of tenants of the existing structures.

EXEMPTION TYPE 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 HRS 343;*

Analysis: Applicable, the use of State funds, as described above, is the sole trigger for compliance with HRS 343.

B. *As proposed conforms with the existing state urban land classification;*

Analysis: Applicable, the Project site is within the State Urban Land Use District.

C. *As proposed is consistent with the existing county zoning classification provided that allows housing;*

Analysis: Applicable, the Project is located within the A-2, Medium Density Apartment CCH zoning district, which allows for medium-density dwellings.

D. *As proposed does not require variances for shoreline setbacks or siting in an environmentally sensitive area, as stated in HAR 11-200.11-13(b)(11).*

Analysis: Applicable, the Project does not require variances for shoreline setbacks and is not in an environmentally sensitive area (as defined under HAR 11-200.1-13(b)(11)). The Project site:

- a. Is approximately one mile from the nearest shoreline.
- b. Is not within the Special Management Area (See Exhibit 2).
- c. Is in Flood Zone AO (See Exhibit 3). The Applicant has implemented design mitigation into the Project. See the attached *Project Summary and Impacts Analysis* for more details.
- d. Is in the Extreme Tsunami Evacuation Zone (See Exhibit 4). The Applicant has implemented design mitigation into the Project. See the attached *Project Summary and Impacts Analysis* for more details.
- e. Does not contain any streams or wetlands (See Exhibit 5).
- f. Does not include any area designated critical habitat (See Exhibit 6).

Part 2 Actions – *Development of affordable housing provided pre-assessment consultations were conducted to determine the appropriateness of preparing an exemption notice or requiring an environmental assessment.*

2. *Construct multi-family residential units including, but not limited to, grading; roadway and traffic systems; utility systems; dwelling units; landscaping; and ancillary facilities; provided all applicable approvals and administrative permits are obtained.*

Analysis: Applicable, enclosed herewith is a *Project Summary & Impact Analysis* providing further details of pre-assessment consultations conducted by the Applicant.

The following studies have been completed to support the findings of the impact analysis and are available upon request:

- a. Preliminary Engineering Report and Preliminary Drainage Study prepared by Wilson Okamoto.
- b. Phase I Environmental Site Assessment by Ford & Associates, Inc.
- c. Reconnaissance Level Survey prepared by Mason Architects, Inc.
- d. Archaeological Inventory Survey Plan prepared by Cultural Surveys Hawaii in preparation for an Archaeological Inventory Survey to be conducted at the Project site.

Mr. Ed Sniffen
March 3, 2026
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All necessary approvals and permits will be obtained for the Project, including those for grading, building, and other relevant activities.

Please email any comments you may have to keri.higa@hawaii.gov by April 2, 2026. If you have any questions, please contact me at the email listed above or at (808) 587-0639.

Sincerely,



Michael Yee
Chief Planner

Attachment

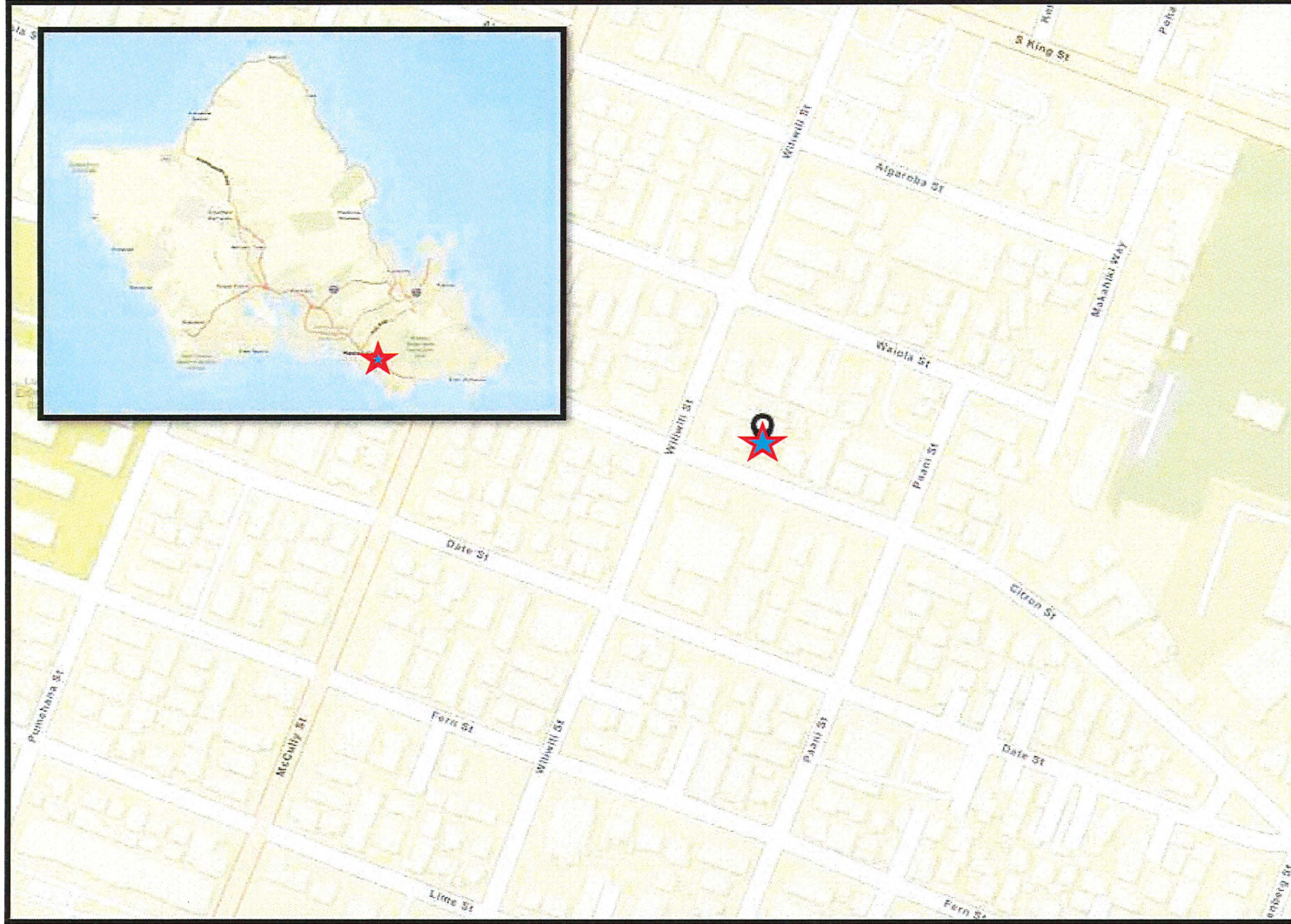
KAUWELA APARTMENTS PROJECT PROJECT SUMMARY & IMPACT ANALYSIS

DESCRIPTION	PROJECT INFORMATION
Location and Tax Map Key	2118 Citron Street; Honolulu, Oahu. Tax Map Key: (1) 2-7-007:050.
Project Site	≈ 0.2755 acres
Total Units	42
Affordability	<p>The Kauwela Apartments Project (Project) will be a multi-family affordable rental housing development. The unit mix for the Project is anticipated to be as follows:</p> <ul style="list-style-type: none"> • Studio Units: <ul style="list-style-type: none"> ○ Four at 30% AMI; • One-Bedroom Units: <ul style="list-style-type: none"> ○ Two at 30% AMI; ○ Eighteen at 50% AMI; ○ Fourteen at 60% AMI; ○ Four at 80% AMI.
Parking	26 off-street parking stalls and 1 off-street loading zone.
Stories/Heights	One five-story building with a maximum height of 57 feet.
Exemptions	Maximum encroachment of five (5) feet into the front yard for one loading stall, and a maximum encroachment of five (5) feet into the front yard for fire exit stairwells and fire corridors.

RESOURCE AREA	SUMMARY OF POTENTIAL IMPACTS
LAND USE & ZONING	<p>The Project site is located in the A-2, Medium-Density Apartment District. The Project is consistent with the residential use permitted within A-2.</p> <p>The Project will be developed under Bill 7, which provides for a maximum 60-foot height. Under Bill 7, the Project qualifies for certain incentives for restricting the Project to affordable rents.</p>
TRAFFIC	<p>Ingress and egress to the Project will be through the main driveway located on Citron Street. Citron Street is a two-way, two-lane roadway. Currently, there are an average of 6 cars parked on the existing parcels daily. This Project would add 26 total parking stalls, which is an increase of 20 additional vehicles that could use the roadways. The addition of 20 vehicles will have a minimal impact on traffic conditions. As such, this Project is not anticipated to have any significant effects on traffic.</p>
INFRASTRUCTURE	<p>The Applicant's consultant prepared a Preliminary Engineering Report (PER) for the Project.</p> <p><i>Water:</i> The existing water system in the McCully area includes an 8-inch cast iron main along Citron Street. The City and County of Honolulu ("CCH"), Board of Water Supply ("BWS") determined the existing water system is currently adequate to accommodate the Project. BWS sent a letter on December 3, 2024, which confirmed the water system can support the 42-unit development but noted capacity issues from the Halawa Shaft shutdown, which will require a final evaluation.</p> <p><i>Sewer:</i> The Project is served by two existing 6-inch sewer laterals that connect to the municipal sanitary sewer system along the makai side of the property, along Citron Street. These laterals combine into a single connection to the 6" main sewer line. CCH, Department of Planning and Permitting, Wastewater Branch approved a sewer connection application confirming system capacity on October 31, 2024.</p> <p><i>Drainage:</i> The Project will comply with the Stormwater Quality Standards adopted by CCH. No underground drainage system is available within Citron Street to convey stormwater runoff. All building roof drainage will be discharged at grade, which will be comprised of both impervious and pervious surfaces. A retention system will be installed to capture any increase in runoff between pre-existing and proposed conditions. Landscaped areas will be installed on both the ground floor and the second level of the building, aiding in runoff reduction. Additional drainage features, such as swales will facilitate proper water conveyance around the site. Since the Project Site is located within the FEMA Zone AO, the lowest finished floor elevation will be set at least 3 feet above the highest existing adjacent grade to ensure flood resilience.</p> <p><i>Electricity:</i> Hawaiian Electric Company sent a correspondence on October 24, 2024, stating that while an existing circuit on Citron Street may serve the Project, detailed plans and load data are needed to assess potential upgrades or new circuits.</p>

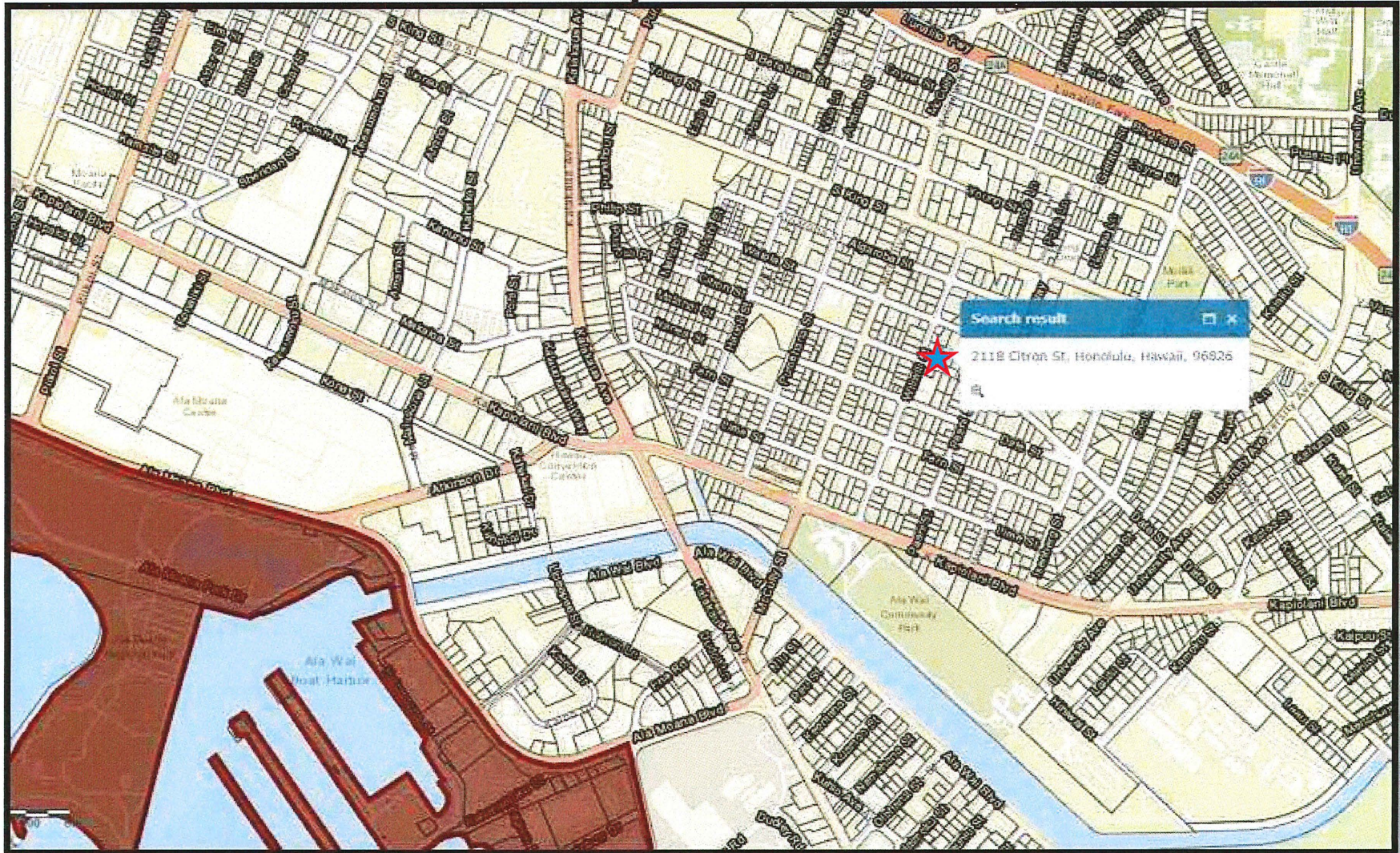
	<p>Gas: Hawaii Gas sent record drawings on October 16, 2024, illustrating one gas line serving the site, fed by a main on Citron Street.</p> <p>Telecommunication Services: Hawaiian Telecom sent a Will Serve Letter on November 4, 2024, confirming readiness to provide telecom services. Spectrum sent a Will Serve Letter on October 10, 2024, confirming readiness to provide telecom services.</p>
PHASE 1 ENVIRONMENTAL SITE ASSESSMENT	The Applicant's environmental consultant prepared a draft Phase I Environmental Site Assessment (ESA) report. The Phase 1 ESA revealed no evidence of recognized environmental conditions (RECs), controlled recognized environmental conditions (CRECs), or significant data gaps in connection with the property.
VISUAL	<p>The Project is located within the Primary Urban Center in an urbanized area designated for urban development. There is a mix of low- to high-rise residential buildings within the Project's vicinity with South King Street to the north serving as a high-intensity commercial corridor with various retail establishments, restaurants, and office facilities. The Project is in an area known as the Mō'ili'ili district and is not located within a special district or designated place.</p> <p>Within this context, while the Project may have a visual impact compared to existing conditions, the Project is in an area where high-density urban development is planned and anticipated. To mitigate visual impacts, the Project design includes appropriate setbacks, attention to orientation and massing, and activation of street-level views.</p>
CULTURAL, HISTORIC, & ARCHAEOLOGICAL	<p>The Applicant's archaeological consultant has prepared an archaeological inventory survey plan, in preparation for an archaeological inventory survey to be conducted in the project area, per a State Historic Preservation Division (SHPD) HRS 6E review letter dated 23 May 2025.</p> <p>The Applicant's historic architecture consultant has prepared a Reconnaissance Level Survey (RLS) of the existing structures. The RLS concludes that while the Project will result in an effect on the existing structures, due to the demolition thereof, the Project should be permitted to continue with the proposed mitigation: architectural recordation and historical data recovery.</p> <p>The archaeological inventory survey plan and the RLS have been submitted to SHPD for SHPD's review and acceptance as part of the HRS Chapter 6E process. The Applicant will implement any mitigation deemed necessary by SHPD.</p>
FLOOD	The Project Site is located in the AO flood zone and the Extreme Tsunami Zone. In consultation with DPP, the Project's lowest finished floor elevation will be set at least 3 feet above the highest existing adjacent grade as a mitigation measure against potential flooding and to ensure flood resilience. The Project will additionally comply with all other requirements of ROH 21A for construction within the AO flood zone.
NOISE	The Project will cause an incremental increase in construction-related noise, but this 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 the standards stipulated in HAR 11-46 (Community Noise Control), a permit will be required to regulate the permissible noise levels.
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.
CUMULATIVE IMPACTS	The Project, along with other planned developments in the area will contribute to cumulative impacts. However, the Project and other projects in the area are consistent with the CCH's <i>General Plan</i> and <i>Primary Urban Center Development Plan</i> . The overall intensification of land uses within the South King Street and Citron Street corridor area is a goal of CCH's long-range vision for Oahu and is consistent with CCH's general development pattern goals. These plans emphasize keeping the existing urban core of Honolulu as the primary urban center of the island, with a secondary center in Ewa, to keep Oahu's remaining rural areas rural. Thus, while the Project will contribute to cumulative impacts in the area, growth in this area is planned, desired, and anticipated.

Exhibit 1: Location Map



 : Project location

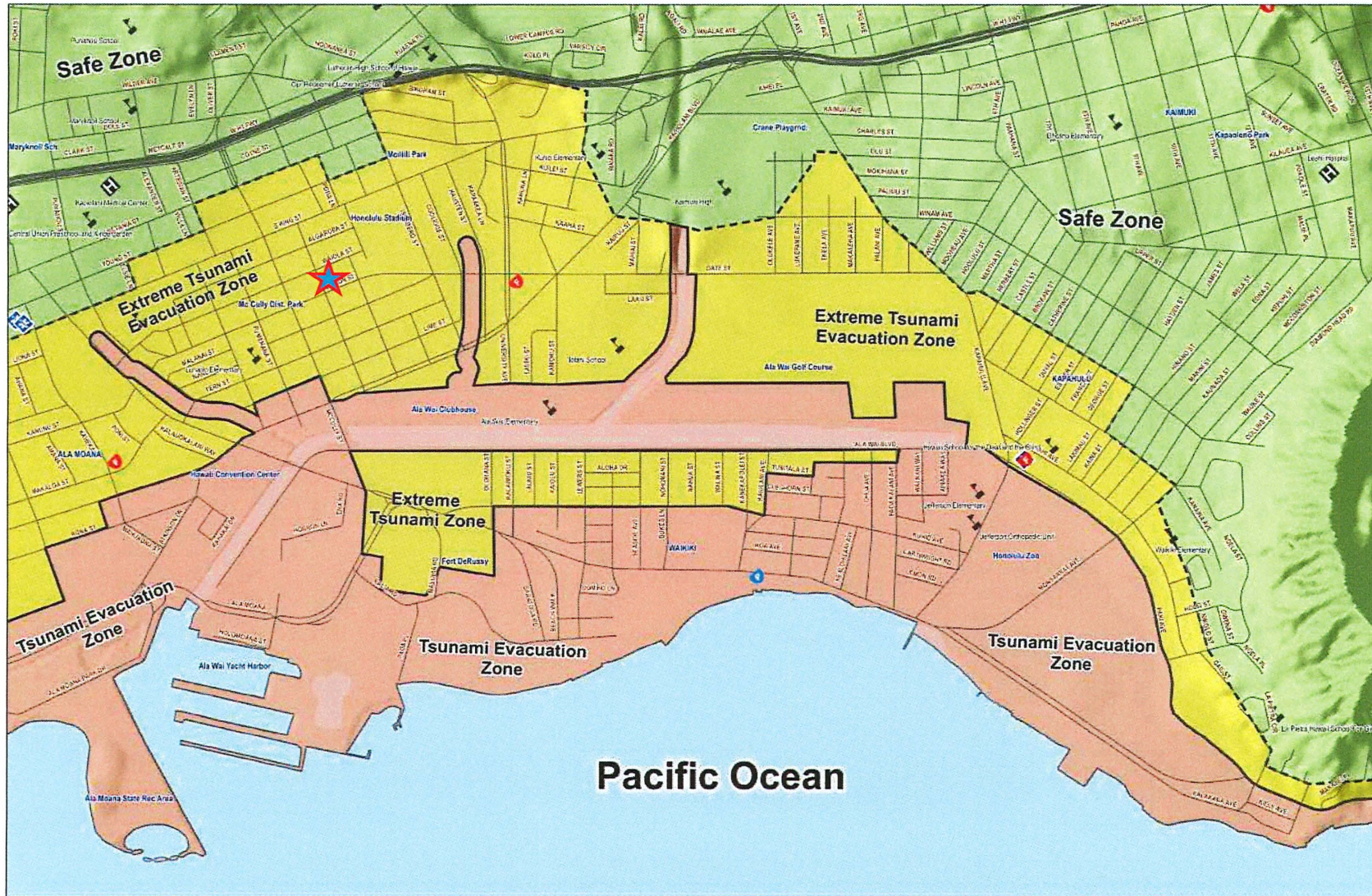
Exhibit 2 Special Management Area Map



Source: <https://www.arcgis.com/apps/Viewer/index.html?appid=f30604a60fe64945af7442c7c08174f9>

 : Project location

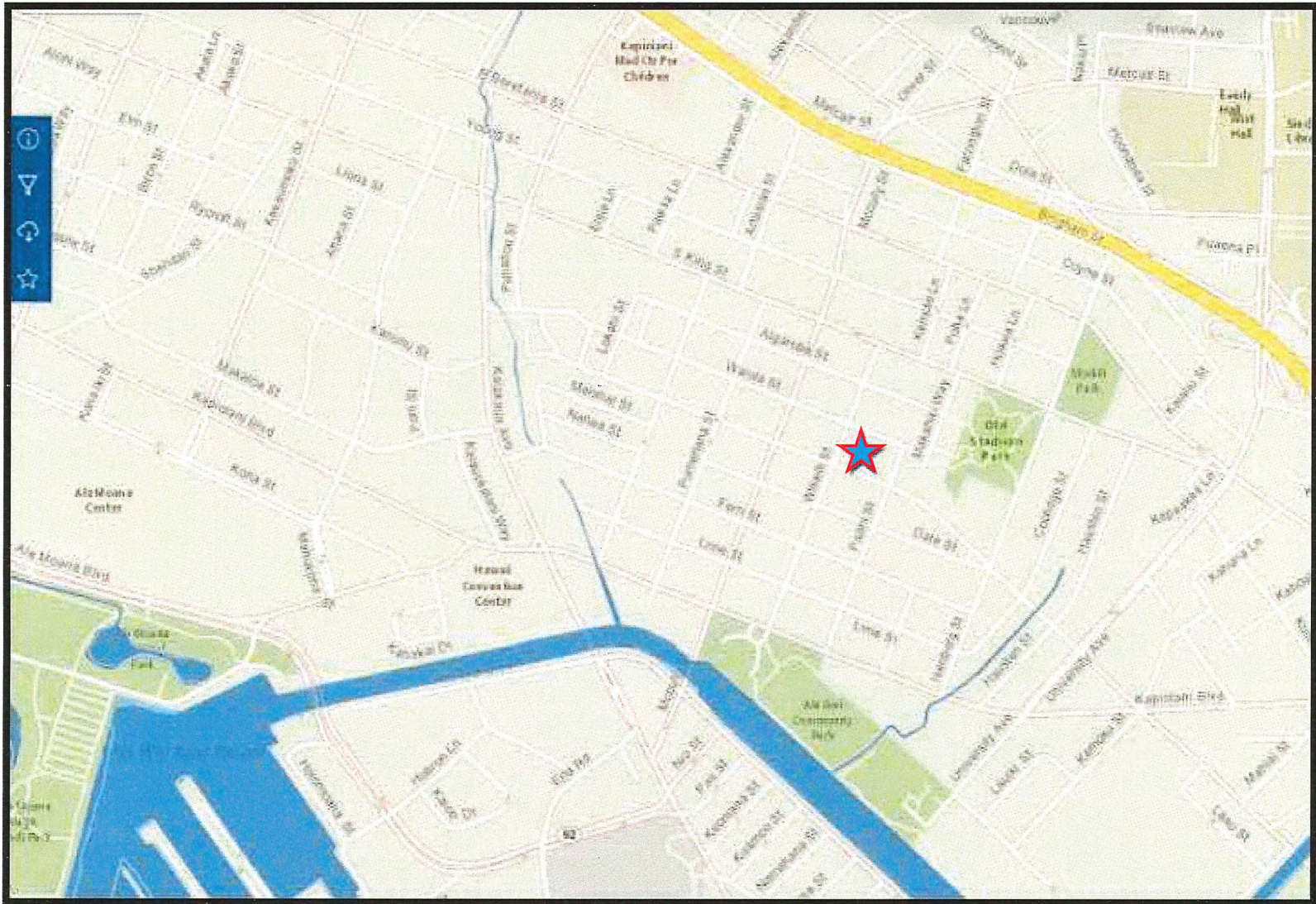
Exhibit 4: Tsunami Zone Map



Source: https://static.pdc.org/tsunami/oahu/Waikiki_map_1_waikiki.png

 : Project location

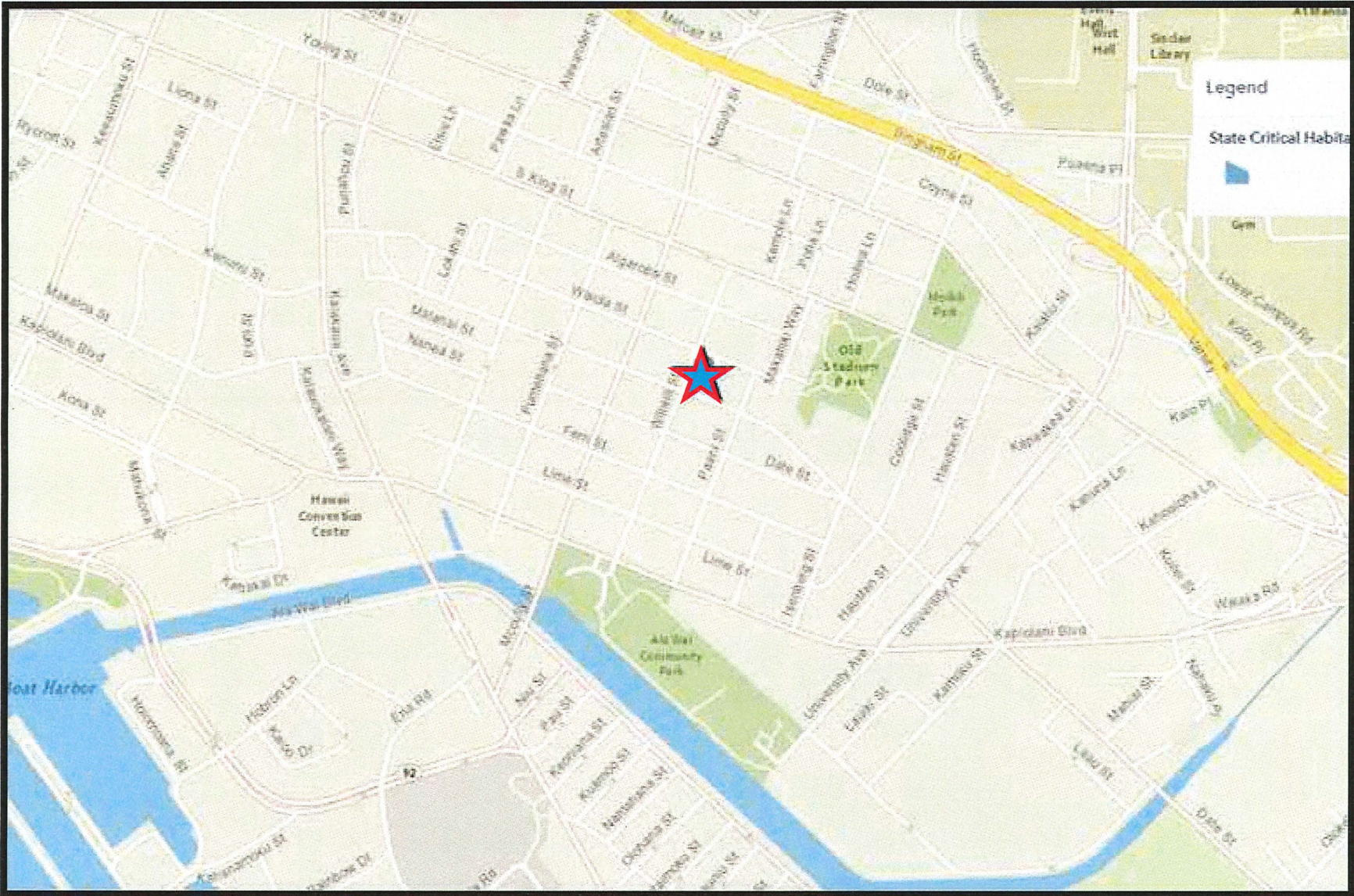
Exhibit 5: Wetlands Map



Source: <https://geoportal.hawaii.gov/datasets/HiStateGIS:wetlands/explore?location=22.223134%2C80.630677%2C2>

 : Project location

Exhibit 6: Critical Habitat Map



Source: <https://geoportal.hawaii.gov/datasets/HiStateGIS::state-critical-habitat-picturewing/explore?location=21.290889%2C-157.830252%2C16.00>

 : Project location