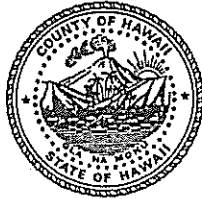


Harry Kim
Mayor



Christopher J. Yuen
Director

Roy R. Takemoto
Deputy Director

County of Hawaii

PLANNING DEPARTMENT

101 Pauahi Street, Suite 3 • Hilo, Hawaii 96720-3043
(808) 961-8288 • Fax (808) 961-8742

September 7, 2010

Steven S.C. Lim, Esq.
121 Waianuenue Avenue
Hilo, HI 96720

Dear Mr. Lim:

Change of Zone Application (REZ 10-000119)

Applicant: Hawaii Housing Finance & Development Corporation and
Forest City Hawaii Kona, LLC

Request: A-5a to Project District

Project: Kamakana Villages at Keahuolu

Tax Map Key: 7-4-021: 020 (now known as 7-4-021: 020, 024, 025, 026, 027)

We have reviewed the above referenced application, which was accepted by our office on February 9, 2010, and determined that the proposed project furthers the intent of Hawaii County Code, Chapter 25, and is consistent with the goals, objectives and policies of the County General Plan and the Kona Community Development Plan ("**Kona CDP**"). Therefore, pursuant to Policy LU-2.4 (Transit Oriented Development Floating Zones Established) of the Kona CDP, the Project qualifies for: (i) expedited County review; (ii) concurrent processing with the State Land Use Commission, the County Planning Department and the County Planning Commission; and (iii) a rebuttable presumption by the Planning Director, Planning Commission and County Council that the Project conforms to the Zoning Code, General Plan and Kona CDP.

The location of the Project is generally consistent with the Keahuolu Village (Neighborhood) TOD identified on the Official Kona Land Use Map. Furthermore, the Project master plan, submitted with Exhibit 8 (Plans & Figures Book) of the application, is consistent with the Village Design Guidelines attached to the Kona CDP.

Steven S.C. Lim, Esq.
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We understand that the applicant is seeking a State Land Use District Boundary Amendment for the Project, and that the petition will be filed on September 7, 2010. Accordingly, we have suspended the processing of the Application until a decision is made by the State Land Use Commission.

Sincerely,



BJ LEITHEAD TODD
Planning Director

PF:smm

cc: Jennifer A. Benck, Esq./Carlsmith Ball LLP - Honolulu
Stanley Fujimoto, HHFDC
Race Randle, Forest City
Planning Department - Kona