

## SUMMARY - PUBLIC HEARING

## HAWAII COMMUNITY DEVELOPMENT AUTHORITY

State of Hawaii

November 13, 2013 – 10:00 a.m.

ATTENDANCE

Members Present: Linda Chinn (DHHL)  
Randy Grune (DOT)  
Miles Kamimura  
Ralph Morita (DAGS)  
Jesse Souki (DBEDT)

Members Absent: Luis Salaveria (DBF)  
Shirley Swinney

Others Present: Brian Lee, Chairperson  
Anthony Ching, Executive Director  
Lori Tanigawa (Deputy Attorney General)  
Shelby Hoota, Program Specialist  
Patricia Yoshino, Secretary  
Holly Hackett (Court Reporter)

A public hearing of the Kalaeloa members of the Hawaii Community Development Authority (“Authority”), a body corporate and public instrumentality of the State of Hawaii, was called to order by Mr. Brian Lee, Chairperson of the Authority at 10:18 a.m. on Wednesday, November 13, 2013, at the Authority’s principal offices at 461 Cooke Street, Honolulu, Hawaii 96813.

Development Permit Application KAL 13-001: Cloudbreak Hawaii LLC

Chairperson Lee stated that the public hearing was being held under the provisions of §206E-5.6, Hawaii Revised Statutes to review the development permit application KAL 13-001 (“Application”) dated October 8, 2013. The nature of the public hearing was to allow the Application to be presented to the Authority and to provide the public with the opportunity to present oral and/or written testimony. A second public hearing is scheduled for December 6, 2013, during which the Authority will render a decision on the Application.

Chairperson Lee stated that the applicant is Cloudbreak Hawaii LLC (“Applicant”), and the project address is 91-1078 Yorktown Street, Kapolei, Hawaii 96707. The TMKs for the property are: 9-1-013:054. The Applicant proposes to construct a new 4-story residential rental facility with 50 residential units/beds for U.S. veterans and non-veterans.

Notice of the public hearings was published on October 13, 2013, in the Honolulu Star Advertiser. The notice was made available for public review at the office of the Hawaii Community Development Authority ("HCDA") and on the HCDA website. In addition, adjacent landowners and the Ewa, Waianae Coast, Makakilo/Kapolei/Honokai Hale and Nanakuli/Maili Neighborhood Boards, various elected officials, State and County agencies were notified of this hearing. Pursuant to HRS 206E-5.6, notice was provided to the President of the Senate and Speaker of the House.

#### Staff Report

Executive Director Anthony Ching stated that the Authority had just approved the conditional use permit for the Hale Uhiwai Nalu (Building 34) which would allow the Applicant to subsequently seek a development permit for the project. He summarized the project description regarding the land use; density; building type and form; building placement, setback; open space; landscape and recreation space; parking and loading; public facilities dedication; and reserved housing.

Chairperson Lee asked if Members had any questions on the staff report. There were none.

#### Applicant's Presentation

Mr. Tim Cantwell, president of Cantwell-Anderson Inc., majority owner of Cloudbreak Hawaii LLC, and Mr. Chuck Patterson, property manager for Cloudbreak Hawaii, were present for the Applicant. Mr. Cantwell described the project via a PowerPoint presentation (see Exhibit A).

Chairperson Lee asked whether Members or Mr. Ching had any questions for the Applicant.

Mr. Ching asked about the need for veterans housing in Honolulu.

Mr. Cantwell replied that hundreds of units are needed. He anticipates that the additional 50 units being added to Building 34 will be quickly absorbed. The units are targeted to homeless veterans, many of whom have no income at all.

Mr. Ching asked if the Applicant would be able to purchase the land.

Mr. Cantwell stated that there will be no ability to purchase the land since it is a leasehold arrangement with the Department of Veterans Affairs ("VA") as the owner.

Mr. Ching asked for a recap on the financing stack for the project.

Mr. Cantwell explained that they have a \$3 million loan from First Hawaiian Bank and a \$4 million loan from the State of Hawaii rental trust fund. The Federal Home Bank of Seattle has committed a \$500,000 grant. They also have something pending with Home Depot. Cantwell-Anderson will also be inserting its own cash and guaranteeing the debt on behalf of Cloudbreak Hawaii.

Mr. Ching asked for the total expected project cost.

Mr. Cantwell replied that it would be little over \$8 million.

Mr. Ching asked what the requirements of the Hawaii Housing Finance and Development Corporation loan would be.

Mr. Cantwell explained that there would be low income housing requirements attached to the financing. The projects tend to have much lower level income residents than are requirements of the loans. There are annual reviews, a cost certification process, and reviews for compliance of income eligibility of residents and veteran status.

Mr. Ching noted that the project description indicates it would provide housing for veterans and non-veterans. He asked what would be the qualifying requirements for non-veterans.

Mr. Cantwell replied that the VA has a requirement to place homeless veterans first, which is a priority for use of the asset. The hierarchy is first to homeless veterans, then to veterans, next to family members of veterans, and then to non-veterans. Low income restraints of the State and Federal Home Loan bank board would apply to all.

Mr. Ching asked whether the State Chapter 6E requirements for archaeological assessments and National Historic Preservation Act Section 106 consultation had been completed.

Mr. Cantwell replied that they have been completed and the surveys resulted in findings of no significant impact. Comments in the findings were positive regarding the project.

Mr. Ching commented that there had been adaptive reuse of existing buildings. He asked if the new construction would be producing studio apartments.

Mr. Cantwell replied in the affirmative.

Mr. Ching asked what was the average length of stay for the tenants.

Mr. Patterson responded that while a typical stay is less than a year, at their buildings, over 50% have been there for 2 years or more.

Mr. Ching asked what the rental cost of the units would be to veterans.

Mr. Cantwell replied that it varies but most would be in the \$700-800 range. The target of the Veterans Affairs Supportive Housing Program is chronically homeless veterans. Most of them have no income at all, so their rent would be zero. The objective is to get them attached to some benefits, and then they would pay 30% of the income.

Mr. Ching noted that Chapter 215-6 (a)(4) of the Kalaheo rules specifically provides that if a conflict occurs between the HCDA regulations and federal regulations, then federal regulations shall take precedence.

Mr. Cantwell stated that they desire to comply as fully as possible with promulgated rules.

Chairperson Lee asked what is the square footage of a studio unit.

Mr. Cantwell replied that it is about 365 square feet.

Chairperson Lee asked whether it is difficult to do affordable housing projects.

Mr. Cantwell replied that it is a challenge. He has done projects since the early 1980s and financed them using tax exempt bonds and density bonuses.

Chairperson Lee commented that it is not something that anyone can do or is easy to do. He asked if there are any affordable housing projects that do not use government assistance.

Mr. Cantwell responded that assistance is needed to offset the cost of writing down the rent you will get and the capitalized costs.

#### Public Testimony

Chairperson Lee noted that 38 letters in support of the project and 1 letter with comments only had been received.

The following persons provided oral testimony:

1. Steven Lam, comments
2. Donna Ching, support

#### ADJOURNMENT

The public hearing was closed at 11:13 a.m.

Attachment: Exhibit A - Cloudbreak Hawaii Communities

Note: The transcript of this meeting contains a verbatim record and should be consulted if additional detail is desired.



## Cloudbreak Development, LLC\*

Affordable Housing for Veterans

### OPERATING SITES



INGLEWOOD, CA\*\*  
 LAS VEGAS, NV  
 PHOENIX, AZ\*\*  
 HOUSTON, TX\*\*  
 HONOLULU, HI\*\*  
 COMPTON, CA

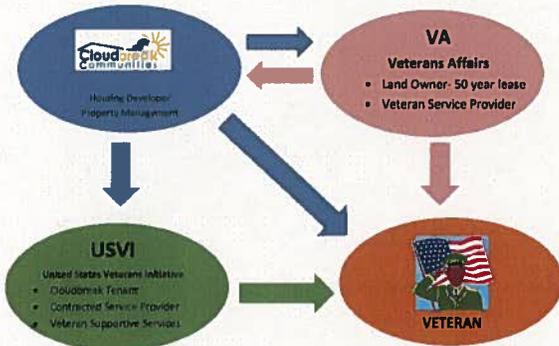
\*\*Under new construction or expansion

\*Sites Also Initiated by Cloudbreak Development:

Villages at Cabrillo, Long Beach, CA  
 Washington, DC  
 March Airforce Base, Riverside, CA

\*A Cantwell-Anderson, Inc. company

## RELATIONSHIP FLOW CHART



### Building 1772 Kalaeloa, Hawaii



98 bed transitional facility leased to United States Veterans Initiative.

### Hale Ha'i Ka'opua Kalaeloa, Hawaii



46 unit/53 beds Long term supportive housing. Together with 9,000 sq. ft. of ground floor support service space.

### Hale Uhiwai Nalu Kalaeloa, Hawaii



80 studio apartments leased to individual veterans.  
 Including: 14 PHDV, 42 HUD VASH, 2 RTW, 11 CLBK, 11 PP



Front Elevation  
Hale Uhiwai Nahu Addition  
Kauaie, Hawaii  
© 2018 HKS



4a



Bunker Hill (Side) Elevation  
Hale Uhiwai Nahu Addition  
Kauaie, Hawaii  
© 2018 HKS



4b



Rear Elevation  
Hale Uhiwai Nahu Addition  
Kauaie, Hawaii  
© 2018 HKS



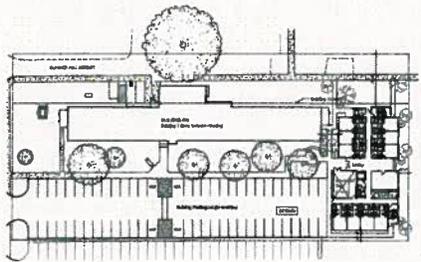
4c



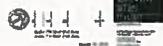
Side Elevation  
Hale Uhiwai Nahu Addition  
Kauaie, Hawaii  
© 2018 HKS



4d



Site Plan (1st Level Plan)  
Hale Uhiwai Nahu Addition  
Kauaie, Hawaii  
© 2018 HKS



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# Stakeholder Meetings

Questions & Concerns

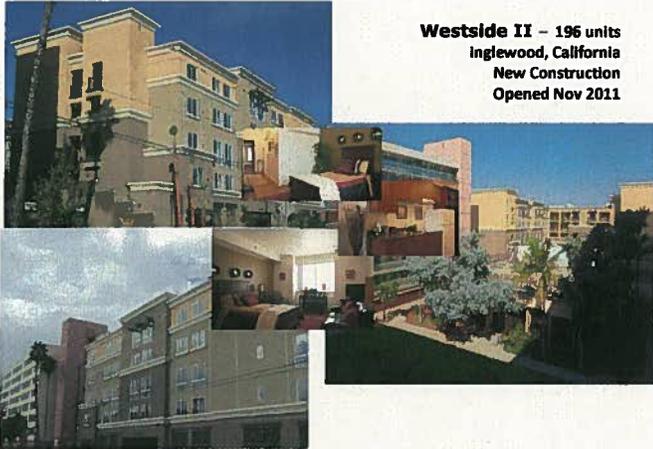


**Westside Residents Hall II**

196 units under construction immediately adjacent to resident Westside Hall I



4 ½ 108,000 sq. ft. parking structure nearing certificate of occupancy to service WRH I & II



**Westside II – 196 units**  
Inglewood, California  
New Construction  
Opened Nov 2011

**Victory Place  
Phoenix, Arizona**

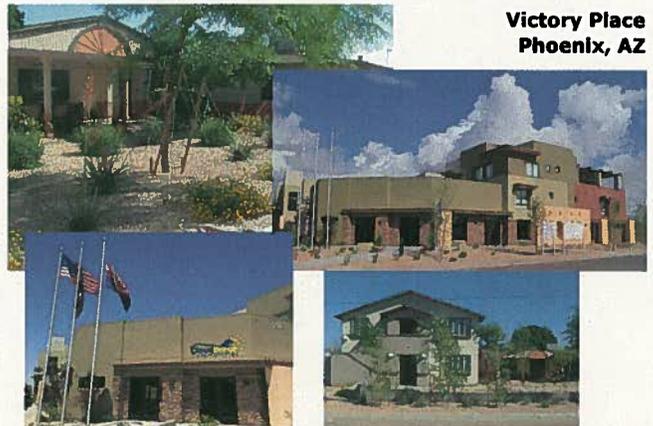


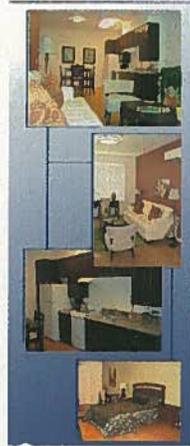
This Phoenix, Arizona facility opened in December 2001. An adjacent 2-story building was completed in July of 2009 which includes 20 units of permanent housing, an enhanced Career Center, and additional support service space. With future expansion, the transitional component will house over 300 residents when completed. Cloudbreak Phoenix, a Cantwell-Anderson, Inc. Company, is the property owner and developer

**Victory Place  
Phoenix, Arizona**



**Victory Place  
Phoenix, AZ**





**Midtown Terrace  
Houston, Texas**

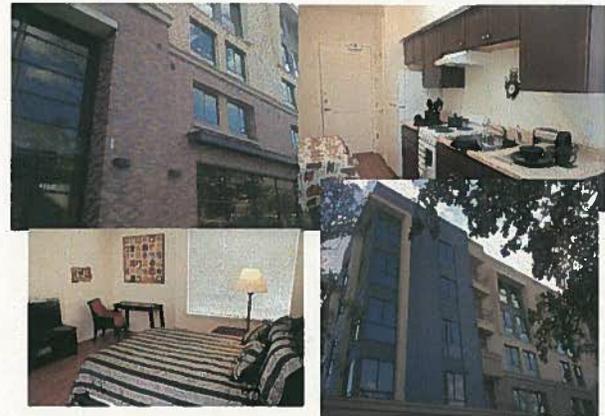


Cloudbreak has assembled approx. 5 acres of prime downtown Houston real estate bounded by Interstate 59 to the South. It is directly across the street from the North South Light Rail stop, the East West Light Rail line is being installed directly to the North.

**Midtown Terrace Suites  
Houston, Texas**



**Travis Street  
Plaza**



**Compton, California**

Before



After



Office: 91-1078 Yorktown Street  
Kapolei, Hawaii 96707  
(808) 682-1949

[www.cloudbreakcommunities.com](http://www.cloudbreakcommunities.com)