

SUMMARY - PUBLIC HEARING
HAWAII COMMUNITY DEVELOPMENT AUTHORITY
State of Hawaii
May 13, 2015 - 9:00 AM

A public hearing of the Kakaako members of the Hawaii Community Development Authority (“Authority”), a body corporate and a public instrumentality of the State of Hawaii, was called to order by Mr. John Whalen, Chairperson of the Authority at 9:00 a.m. on Wednesday, May 13, 2015 at the Authority’s principal offices, 547 Queen Street, Honolulu, Hawaii 96813.

ATTENDANCE

Members Present: Jade Butay (DOT)
Steven Scott
Jason Okuhama
Tom McLaughlin
Scott Kami (B&F)
William Oh
John Whalen
Beau Bassett

Absent: Mary Pat Waterhouse

For the Applicant Victoria Ward, Limited

Mr. Douglas Ing
Ms. Emi Kaimuloa
David Striph
Nick Vanderboom
Calvin Mann

APPEARANCES BEFORE THE AUTHORITY

The counsel for the Applicant made their appearances and introductions of their party to the Authority.

LEGAL BASIS AND PURPOSE

The hearing on Development Permit Numbers KAK 13-036, 037 and 038 was held in accordance with Act 61, Session Law of Hawaii 2014, Subchapter 3 of Hawaii Administrative Rules Chapter 219 of Title 15, and the vested HAR Chapter 15-22.

The following description was provided: Development Permit KAK 13-036 was approved on August 21, 2013 and requires that the Applicant provide forty five (45) off-site units as reserved housing for sale.

Development Permit KAK 13-037 was approved on August 21, 2013 and requires that the Applicant provide eighty (80) off-site units as reserved housing for sale.

Development Permit KAK 13-038 was approved on July 17, 2013, which requires that the Applicant provide three hundred seventy-five (375) units of reserved housing for sale and provides that the effective period of the permit ends on July 17, 2015.

This Consolidated Motion seeks an order amending the provisions of KAK 13-036, KAK 13-037 and KAK 13-038 to allow the reserved housing units for each respective permit to be provided as for rental and/or for-sale units. The Consolidated Motion also seeks to extend the effective period of KAK 13-038 for construction to commence to up to two years from July 17, 2015.

PROCEDURES FOR THE HEARING

The purpose of this hearing was to allow the Applicant/Movant to present its proposed Findings of Fact, Conclusions of Law and Decision and Order and to provide the general public with the opportunity to present oral and/or written testimony.

PRESENTATIONS

The proceedings began with Mr. Ing being asked to proceed with his presentation.

Mr. Ing provided the Movant's presentation on their proposed Findings of Fact, Conclusions of Law and Decision and Order.

Executive Director Ching provided the HCDA's proposed Findings of Fact, Conclusions of Law and Decision and Order ("HCDA D&O"). He suggested two additional conditions to the HCDA D&O if the Authority makes the decision to specify a regulated term. The additional conditions are as follows and would come after the proposed condition number four.

5. The regulated term for reserved housing units for rental shall be ___ years as set forth in HAR 15-22-185.1(c) and shall begin on the date of issuance of the Certificate of Occupancy of the Project at 988 Halekauwila.

6. The regulated term for reserved housing units for sale shall be established based on unit affordability as set forth in HAR 15-22-186(b) and shall begin on the date of issuance of the Certificate of Occupancy of the Project at 988 Halekauwila.

Member McLaughlin asked for clarification on when the construction of reserved housing would be required to commence. Executive Director Ching stated that the requirement begins two years following the completion of the first project requiring the reserved housing.

Member Okuhama asked if the excess reserved housing units that the Movant is proposing to provide is a requirement established by the HCDA. Executive Director Ching stated that the

additional reserved housing units produce a credit beyond what is required by the Movant. The additional units came about by the willingness of the Movant.

Member Kami and Chair Whalen stated concern that the rental housing turnover rate was national data and didn't reflect the local demographic that would occupy a rental reserved housing. It was suggested that the turnover rate for a local reserved housing project wouldn't be as high.

Chair Whalen encouraged the use of partnering with government or not-for-profit organizations to help pursue other financing options so that the reserved housing regulated term could be more financially viable.

Chair Whalen questioned the Movant's citation of the Nolan/Dolan Standard and their claim to the legality of the reserved housing requirement. The Movant stated that they would only pursue an appeal if the regulated term is extended beyond 15 years.

Member Bassett inquired what version of the project could utilize the HUD financing. The Movant stated that the HUD financing they are pursuing could only be used by a rental project.

Member Ohe stated interest in knowing how much potential shared equity could be generated by units in a for-sale reserved housing project. The Movant did not have an estimate to provide for potential shared equity.

Member Scott asked if the request is not granted, then how would the Movant intend to proceed and would the denial of the extension of KAK 13-038 permit impact the Waiea and Anaha projects? The Movant stated that denying the request requires that the entire project, including the previously approved for-sale project, would need to be reevaluated and they may need to apply for a new development permit to meet the reserved housing requirement. Mr. Ing stated that the requirement for reserved housing will still be there and that the deadline to provide the reserved housing units for those market rate projects will be met.

PUBLIC TESTIMONY

1. Bradley Isa, Locations Affordable Housing – support
2. Bob Nakata, Faith Action for Community Equity – oppose
3. Brenden Yonekura – support
4. Ian Bigelow, Locations Property Management – support
5. Ann Kobayashi, Honolulu City Council – support
6. Dave Arakawa, Land Use Research – support
7. Brooke Wilson, Pacific Resource Partnership – support
8. Eugene Soquena, Laborers' Union Local 368 – support

CONTINUANCE

Chair Whalen continued the public hearing to May 27, 2015.

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