

**Victoria Ward, Limited
Consolidated Motion**

**Witness List/Exhibit
List that was
distributed to the
Authority at the
April 8, 2015
public hearing.**

VICTORIA WARD, LIMITED'S MOTION TO AMEND DEVELOPMENT PERMIT NOS. KAK 13-036, 13-037, AND 13-038
 TO ALLOW SALE AND/OR RENTAL OF RESERVED HOUSING UNITS AND TO EXTEND TIME OF EFFECTIVE PERIOD OF PERMIT KAK 13-038

APRIL 8, 2015 HEARING

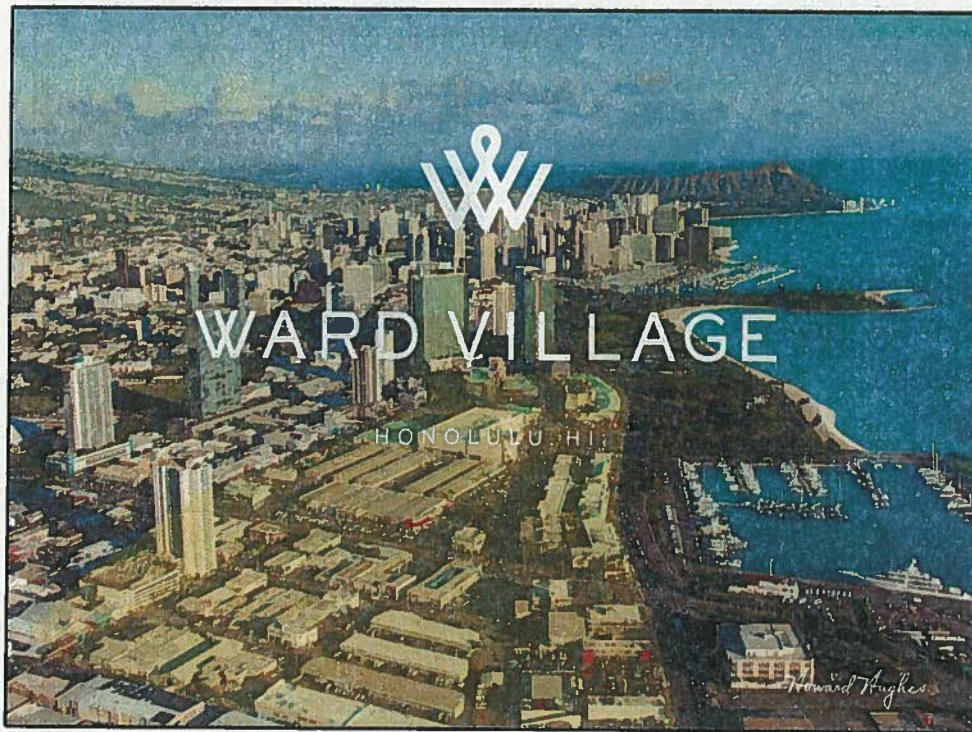
WITNESS LIST

Witness	Position	Description of Testimony
1 David Striph	Senior Vice President – Hawaii, The Howard Hughes Corporation	Request for Amendment/Extension
2 Nicholas Vanderboom	Senior Vice President – Development, The Howard Hughes Corporation	Request for Amendment/Extension
3 Race Randle	Vice President – Development, The Howard Hughes Corporation	Request for Amendment/Extension

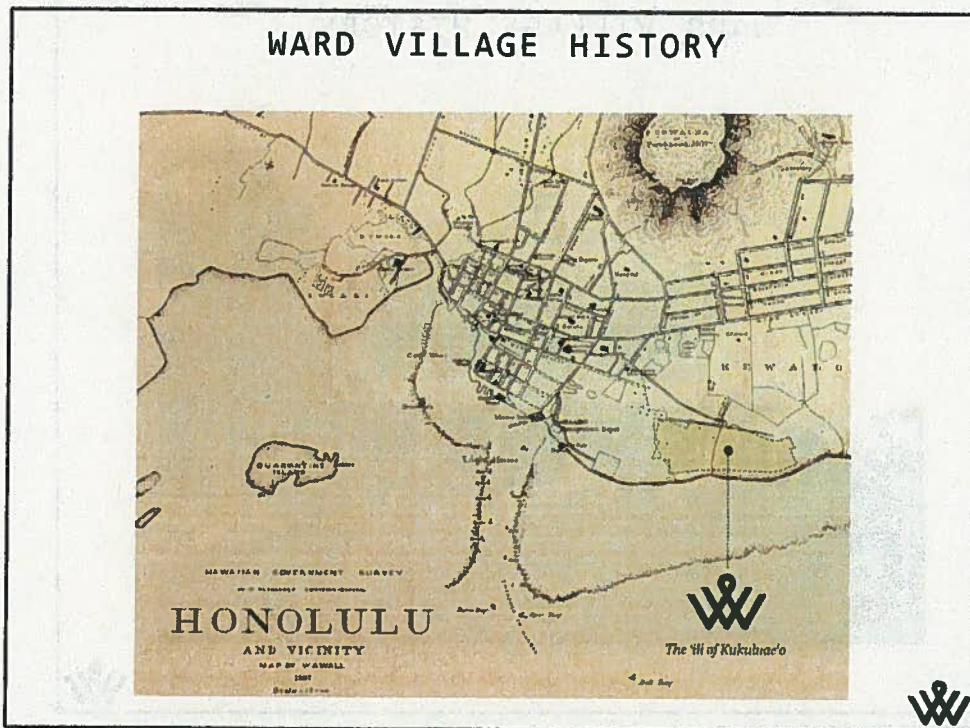
EXHIBIT LIST

Exhibit	Exhibit Description	Admit
1	Concord Group Chart (filed February 23, 2015 with the Motion)	
2	Slide Presentation (attached hereto)	

RECEIVED
 2015 APR 6 PM 2 37
 HAWAII COMMUNITY
 DEVELOPMENT
 AUTHORITY



1



2

EXHIBIT 2

WARD VILLAGE HISTORY



Victoria Robinson



Curtis Perry ("CP") Ward



WARD VILLAGE HISTORY



WARD VILLAGE HISTORY



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WARD VILLAGE HISTORY



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WARD VILLAGE HISTORY



1927

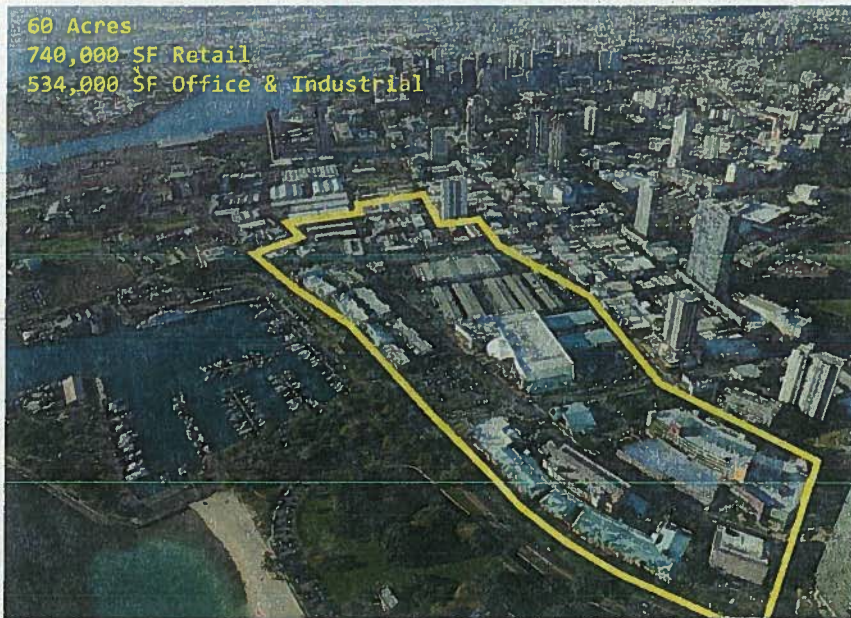


1952



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VICTORIA WARD TODAY



8

VICTORIA WARD TODAY

- Honolulu's premier street shopping, dining and entertainment destination
- Over 135 unique boutiques and national retailers
- Over 80% of the Ward merchants are locally owned and operated
- Over 40 eateries
- 16-screen theatre is #1 in state
- 4,200 parking spaces
- 10 Million shopper visits annually



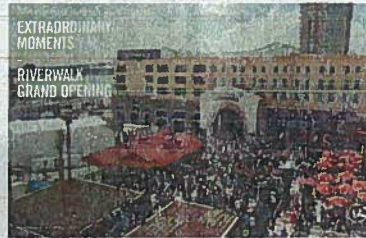
THE HAWAII 'I TEAM

The Howard Hughes team at Ward Village is made up of over 55 dedicated professionals who call Hawaii home. Many have worked at the property for decades under former ownership and all of the staff bring an enthusiastic Aloha Spirit to the office each day.



THE HOWARD HUGHES CORPORATION

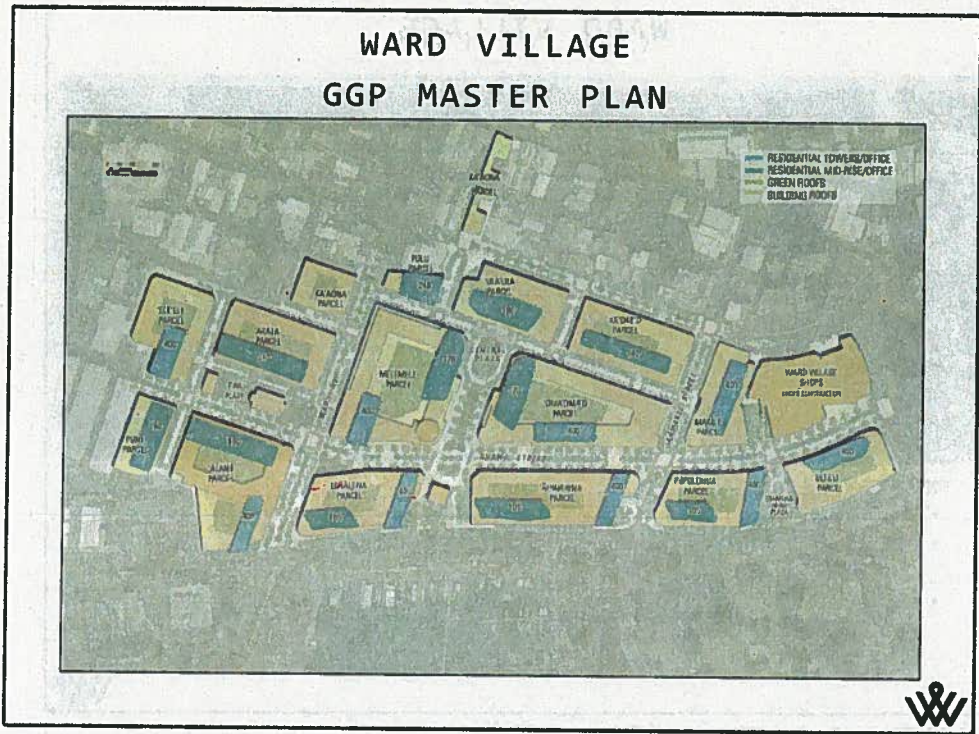
We create timeless places and memorable experiences that enhance communities and inspire people. Our company is comprised of master planned communities, operating properties, development opportunities and other unique assets spanning 16 states from New York to Hawaii.



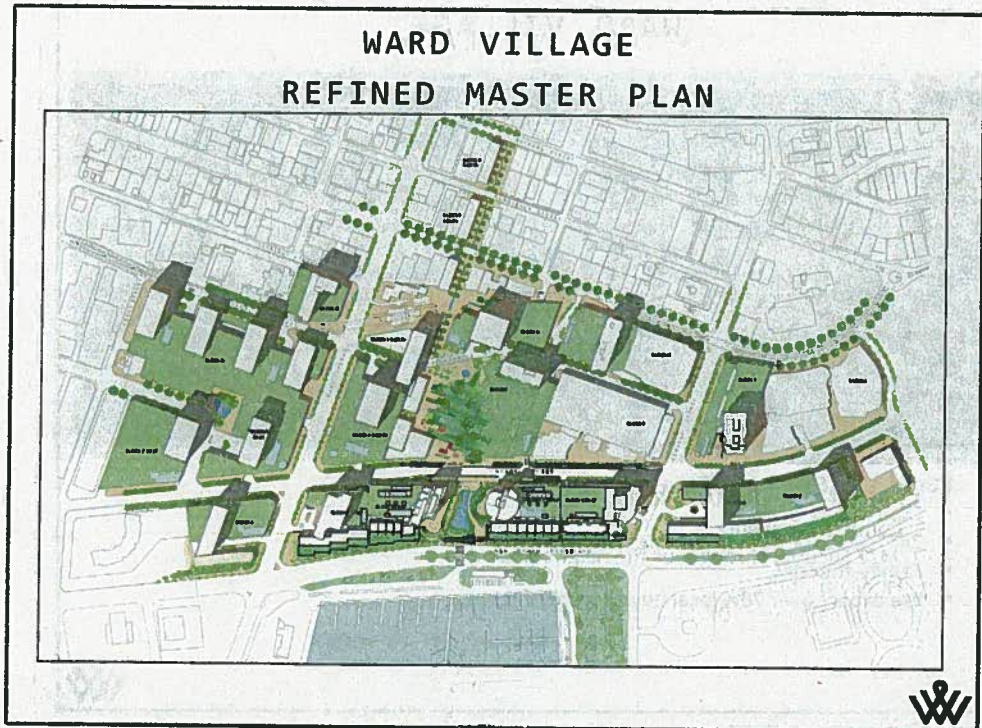
WARD VILLAGE

Ward Village is one of the developments taking place in Kaka'ako. The Howard Hughes Corporation works with other landowners to ensure a coordinated approach toward making Kaka'ako a model for sustainable community re-development.





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WARD VILLAGE



KEY BENEFITS OF A MASTER PLAN

- Larger public open spaces maintained by Ward Village
- Increased investment in community infrastructure including complete streets and other public facilities
- Sustainability guidelines to ensure entire area is built to the LEED-ND standards



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WARD VILLAGE



KEY BENEFITS OF A MASTER PLAN

- Community events
- 24/7 Security throughout the neighborhood
- Family-friendly
- We expect over 70% local buyers in our first phase



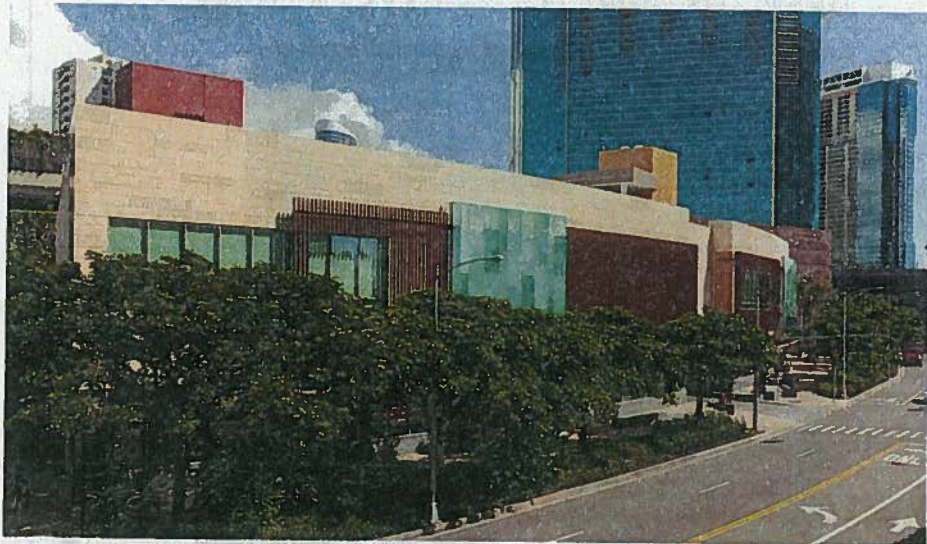
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RECENT COMMUNITY HIGHLIGHTS

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WARD VILLAGE SHOPS PHASE II
COMPLETED CONSTRUCTION



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**WARD VILLAGE SALES GALLERY
COMPLETED HISTORIC RENOVATION**



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**WARD VILLAGE
INFORMATION GALLERY
OPEN TO PUBLIC 7 DAYS A WEEK**



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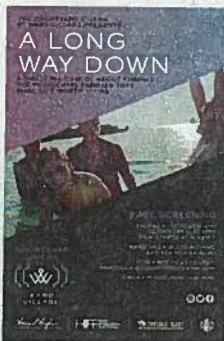
WARD VILLAGE COURTYARD CINEMA

partnership with hawai'i international film festival (HIFF)

COURTYARD
CINEMA



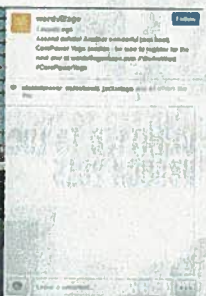
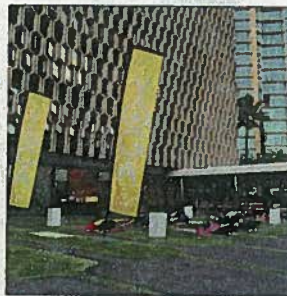
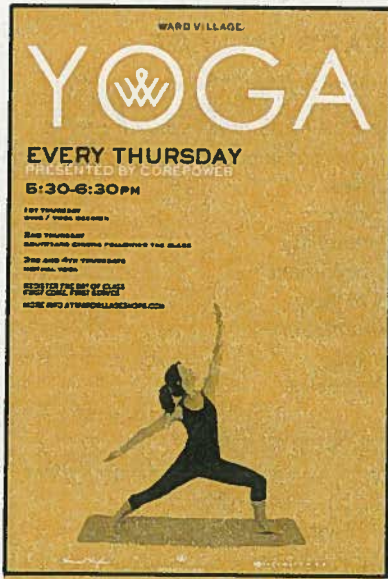
WARD
VILLAGE



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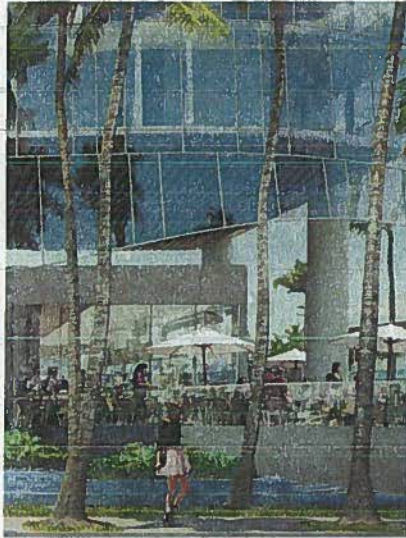
FREE COMMUNITY YOGA

in partnership with ward village's newest tenant: CorePower Yoga



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LEED-ND PLATINUM CERTIFICATION



"Ward Village's LEED certification demonstrates tremendous green building leadership. The urgency of USGBC's mission has challenged the industry to move faster and reach further than ever before, and Ward Village serves as a prime example with just how much we can accomplish."

RICK FEDRIZZI, PRESIDENT, CEO & FOUNDING CHAIR, U.S. GREEN BUILDING COUNCIL



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WARD VILLAGE FOUNDATION

\$1M



COMMITTED TO LOCAL NON-PROFITS THROUGH 2015



WARD VILLAGE

FOUNDATION

The Ward Village Foundation was established in January 2014 to support local non-profits and programs that align with the foundation's core initiatives:

- Culture
- Community
- Environment

Recipients to Date:

- Kupu Foundation
- Hawaii Pops
- KCAA Preschool
- YMCA
- Honolulu Youth Symphony
- Council for Native Hawaiian Advancement
- Hawaii Home Ownership
- Hawaii Theatre Center
- Ke Aloha Preschool
- After School All-Stars



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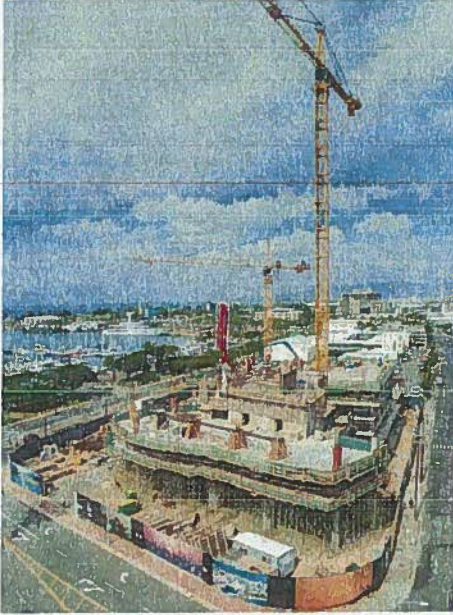
WARD VILLAGE
PHASE 1

25



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WAIEA



- 177 units
- Over \$925M in total economic impact
- Over 2,000 Jobs created each year
- Over \$55M in state tax revenue
- Over \$2.2M in increased annual Property tax once complete



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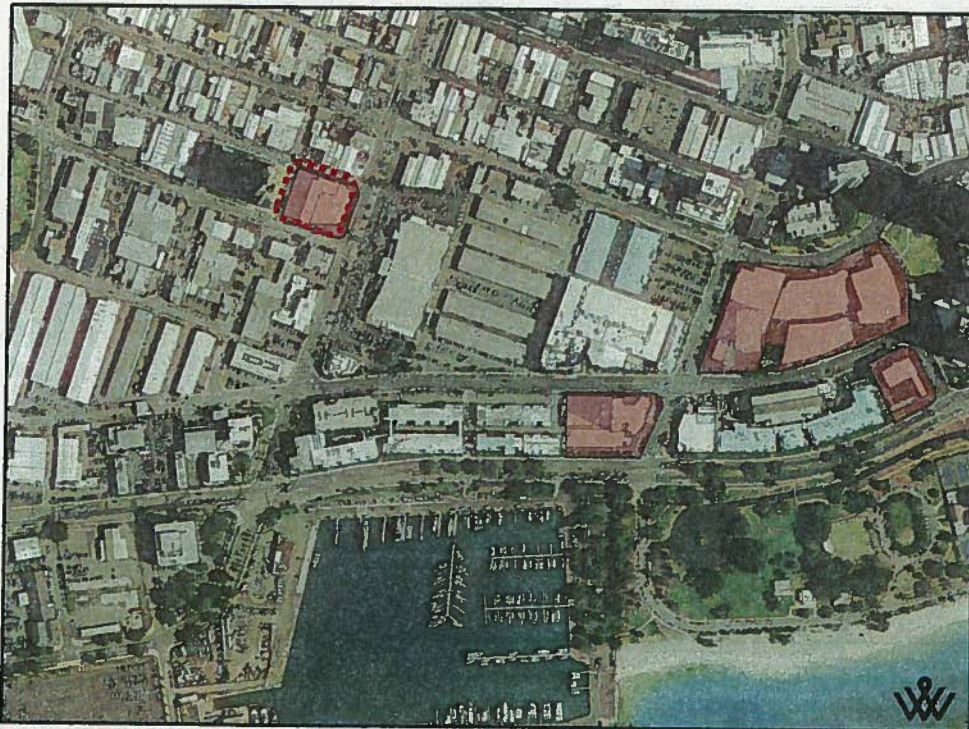
ANAHA



- 318 units
- Over \$670M in total economic impact
- Nearly \$40M in state tax revenue
- Over 1,000 jobs created each year
- Over \$1.5M in increased annual property tax once complete

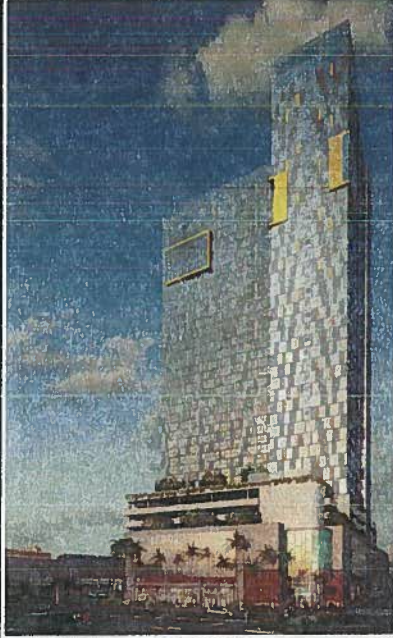


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988 HALEKAUWILA



Residential

- 424 Residential Units
 - 375 Reserved Housing
 - 49 Market Rate
- 1,2 & 3 Bedroom Units
- 500 sf to 2,100 sf Units
- 539 Residential Parking Stalls

Residential Amenities

- Sky Lanai, Fitness Room, Theater, Media Room, Multi-Purpose Room, Lounges, Children's Play Area, Outdoor Dining and BBQ Grills

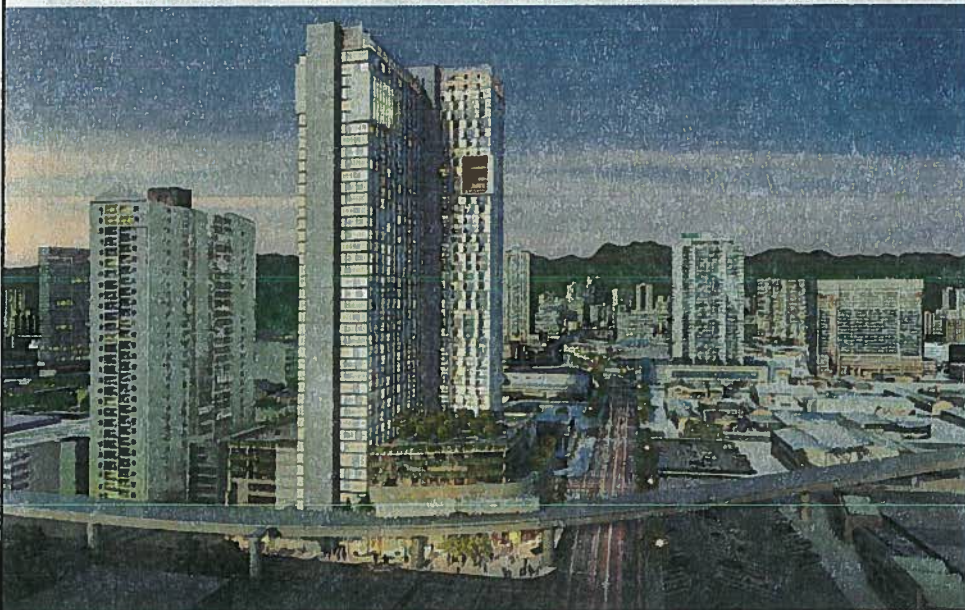
Commercial/Retail

- Approximately 22,000 sf Ground Level
- 66 Dedicated Commercial Parking Stalls
- Separate Entrance



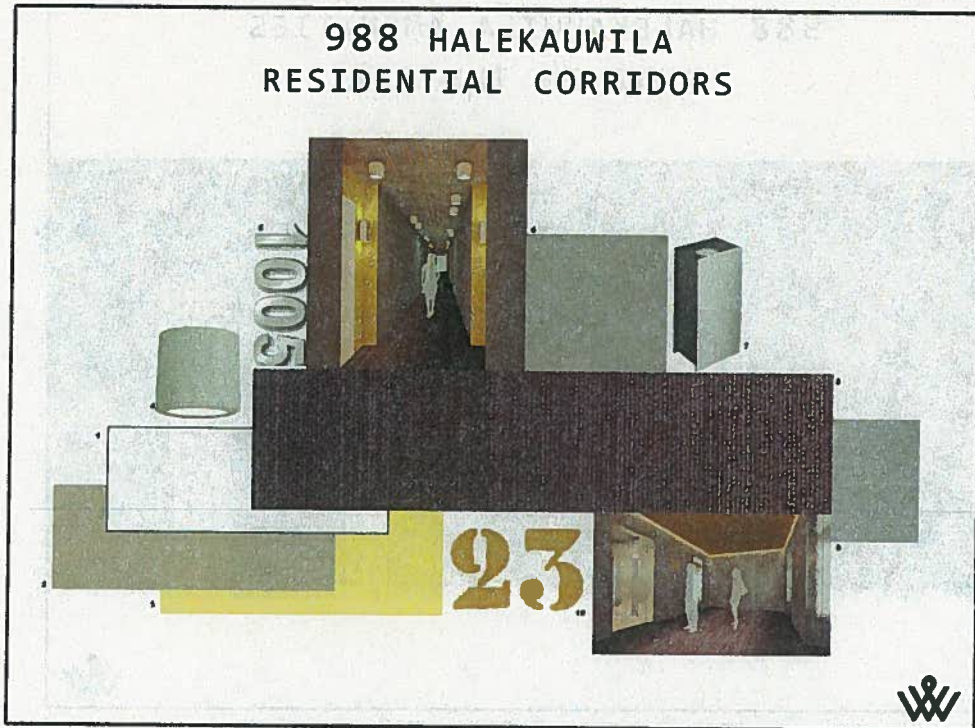
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TRANSIT ORIENTED



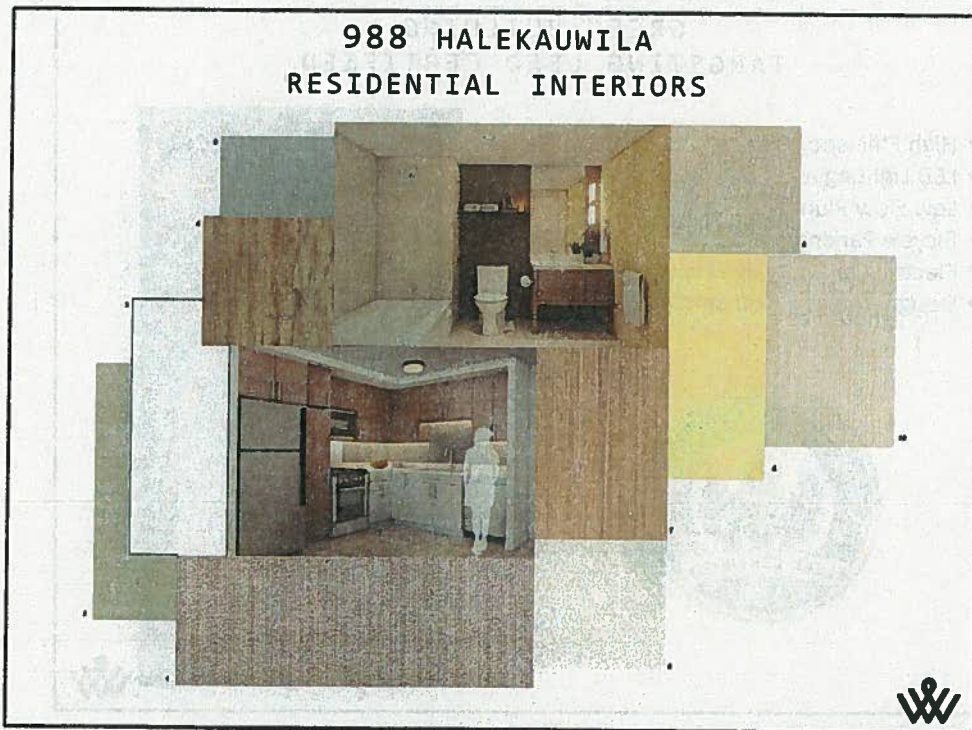
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988 HALEKAUWILA
RESIDENTIAL CORRIDORS



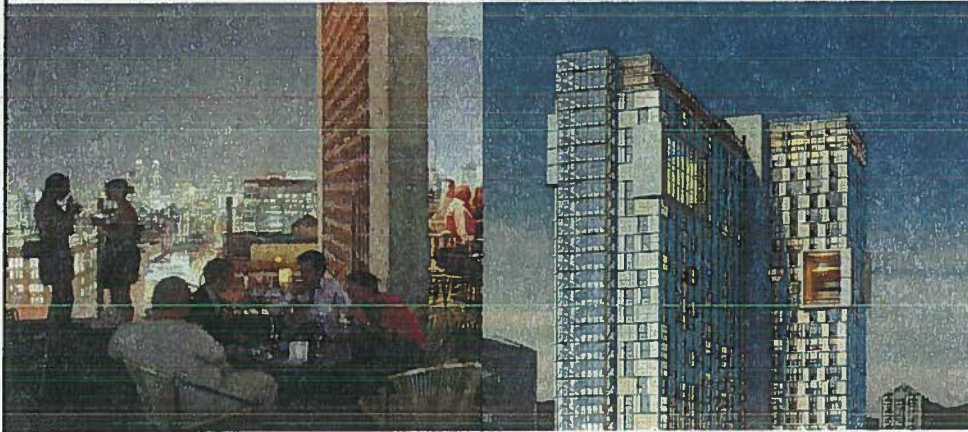
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988 HALEKAUWILA
RESIDENTIAL INTERIORS



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**988 HALEKAUWILA AMENITIES
LANAI IN THE SKY**



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**GREEN BUILDING
TARGETING LEED CERTIFIED**

- High Efficiency Glazing
- LED Lighting and Controls
- Low Flow Plumbing Fixtures
- Bicycle Parking
- Electric Car Charging Stations
- Designated as a Non-Smoking Building



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988 HALEKAUWILA
PROGRESS TO DATE

INVESTED OVER \$4.5 Million to date

- DESIGN – Construction Documents 80%
 - Including design of podium to set back from the future path of the rail transit
- PERMITS – Sewer, SHPD, NPDES, Demolition, Foundation (submitted)
- LEASING – Redesigned space numerous times to accommodate a 22,000SF Neighborhood retailer
.....soon to announce tenant

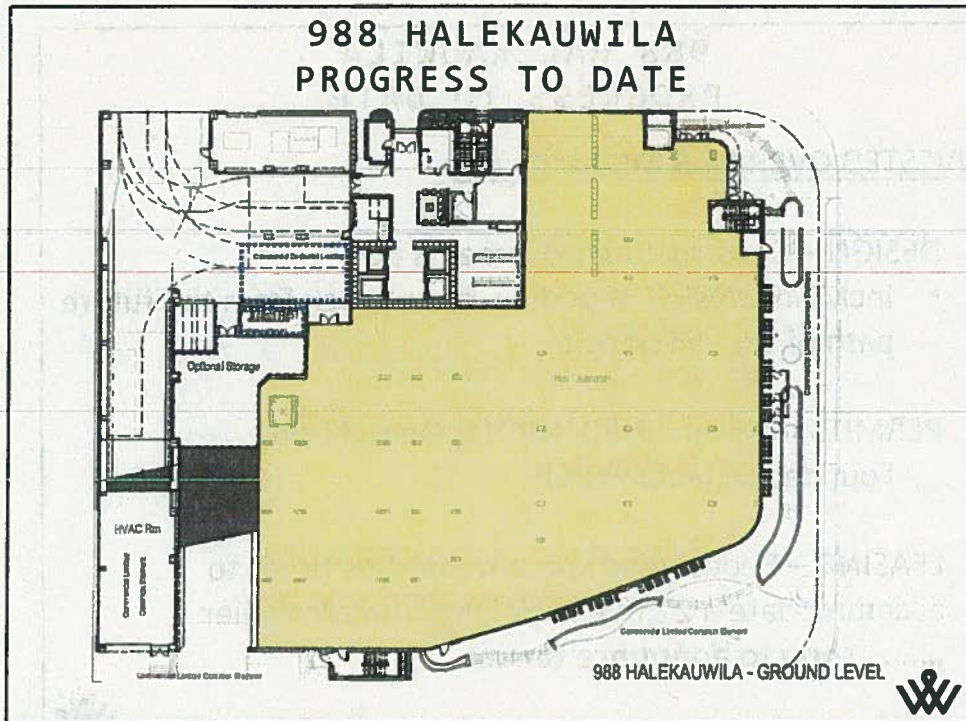


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988 HALEKAUWILA
PROGRESS TO DATE



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**988 HALEKAUWILA
PROGRESS TO DATE**

INVESTED OVER \$4.5 Million to date

- **Financing Efforts**
 - **Ward Village Phase I Financing – Fall 2013**
 - **Removed 988 Halekauwila – Spring 2014**
 - **HUD Application Submittal – July 2014**
 - **HUD Stage 1 Processing Complete – January 2015**
 - **Due Diligence and HUD Inspection – February 2015**



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WHY ARE WE HERE TODAY?

1. To allow rental reserved housing units in 988 Halekauwila
2. To extend the effective period of Development Permit in order to ensure financing can be closed prior to construction start.

NOTE

Nothing about the permits would change except that rental units would be allowed to satisfy reserved housing requirements and the 988 Halekauwila permit would be granted an extension for financing purposes



WHY MAKE THE CHANGE TO RENTAL?

1. Total project costs are the same whether for-sale or for-rent
2. Both options require similar amount of subsidy from market rate projects
3. Rental of 375 units has a better likelihood of success due to greater need/higher demand
4. Rental is financeable via Federally sponsored HUD loan
5. Do not need to meet pre-sale levels in order to close financing on a rental project



WHAT ARE THE BENEFITS OF RESERVED RENTAL?

1. Reserved longer: 15-yrs as rental vs. 2-5yrs as for-sale
2. Lower Incomes: 100% as rental vs. 140% as for-sale
3. No Down Payments: Local residents can move to neighborhood without a down payment
4. Lower Monthly cost of housing for local residents



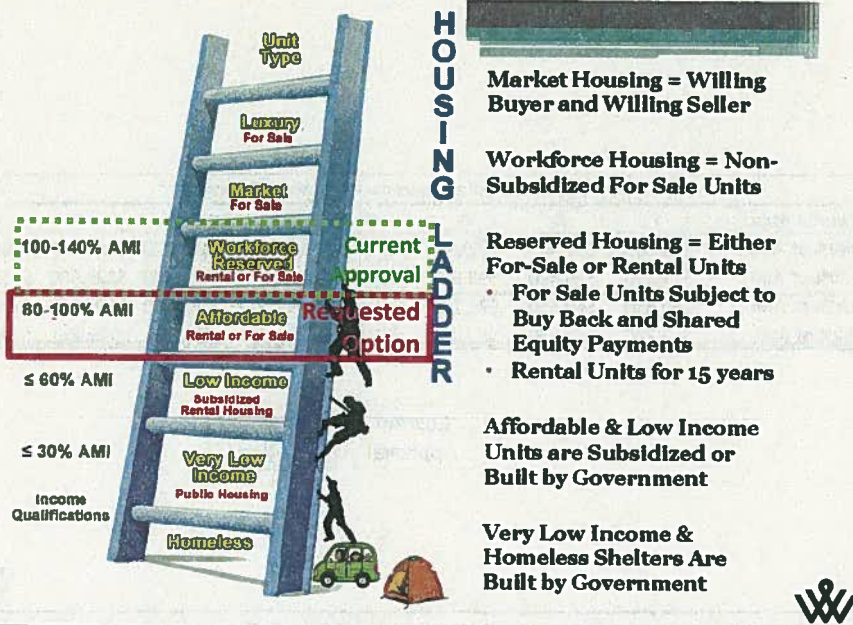
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HOUSING LADDER - HCDA



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HOUSING LADDER - HCDA



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2015 HUD MEDIAN INCOME LEVELS FOR HONOLULU

2015 HUD Area Median Income - Honolulu County								
Family Size	1	2	3	4	5	6	7	8
140% of AMI	\$85,200	\$97,400	\$109,550	\$121,700	\$131,450	\$141,200	\$150,950	\$160,650
120% of AMI	\$73,050	\$83,450	\$93,900	\$104,300	\$112,650	\$121,000	\$129,350	\$137,700
100% of AMI	\$60,850	\$69,550	\$78,250	\$86,900	\$93,900	\$100,850	\$107,800	\$114,750
80% of AMI	\$53,700	\$61,350	\$69,000	\$76,650	\$82,800	\$88,950	\$95,050	\$101,200

Current Approval

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2015 HUD MEDIAN INCOME LEVELS FOR HONOLULU

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Family Size	1	2	3	4	5	6	7	8
140% of AMI	\$85,200	\$97,400	\$109,550	\$121,700	\$131,450	\$141,200	\$150,950	\$160,650
120% of AMI	\$73,050	\$83,450	\$93,900	\$104,300	\$112,650	\$121,000	\$129,350	\$137,700
100% of AMI	\$60,850	\$69,550	\$78,250	\$86,900	\$93,900	\$100,850	\$107,800	\$114,750
80% of AMI	\$53,700	\$61,350	\$69,000	\$76,650	\$82,800	\$88,950	\$95,050	\$101,200

Current Approval

Requested Option



MONTHLY HOUSING COST COMPARISON

Monthly Cost of Housing ⁽¹⁾				
Unit Type	Family Size	100% of AMI For Rent ⁽²⁾	140% of AMI For Sale ⁽³⁾	Delta
1 Bed	2	\$1,739	\$2,679	\$940
2 Bed	4	\$2,173	\$3,347	\$1,174
3 Bed	5	\$2,348	\$3,615	\$1,267

(1) Based on 2015 AMI of \$86,900 and calculated based on HCDA rules

(2) 30% of gross income excludes parking and includes utilities subsidy

(3) 33% of gross income, includes estimated HOAs, RPT, Insurance and PMI, excludes utilities

Current Approval



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Requested Option

Current Approval

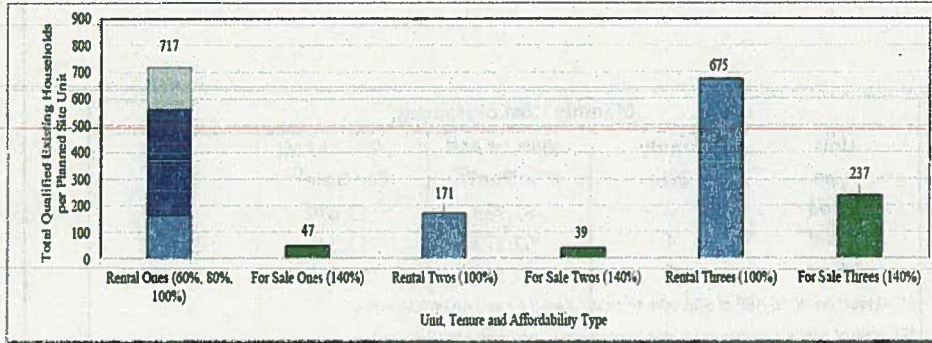


RENTAL vs FOR SALE

For Sale @ 140% AMI	For Rent @ 100% AMI
Regulated Term of 2 Years	Regulated Term of 15 Years
Family of 4 Example	Family of 4 Example
Income must be at/below \$121,700	Income must be at/below \$86,900
Monthly Housing Payment \$3,347	Monthly Rent \$2,173
Down Payment = ~\$57,000	Deposit and First month's rent = ~\$2,673
Utilities Excluded	Utilities Included



RENTAL = GREATEST NEED



The Concord Group



RENTAL = GREATEST NEED

Qualified Households on Island

- For Sale 9,330⁽²⁾ (3)
- For Rent 74,128 (1) (3)

(1) Based on income constraints (60%-100% of AMI for rent, 100%-140% of AMI for sale)
 (2) After applying net worth constraints and down payment requirement for the for sale program
 (3) Analysis provided by market study commissioned from The Concord Group



HUD FINANCING OVERVIEW

221(d)(4)NC

FHA Mortgage Insurance Program Section

Construction to Permanent Loan

Interest Rate: 3.65%

Loan Amount: Approx. \$115 Million

HHC Cash Equity Required: Approx. \$85 Million

Total Project Cost: Approx. \$200 Million



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HUD FINANCING OVERVIEW

Next Steps and estimated dates:

- HUD Firm Application – April 2015
- HUD Appraisal & Market Study – May 2015
- HUD Approval – September 2015
- Loan Closing – October/November 2015



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988 HALEKAUWILA NEXT STEPS

1. CONTRACTING – Award Q3 2015
2. FINANCING – Closing as early as Q4 2015
3. CONSTRUCTION – Start following loan closing
4. MOVE INS – As early as 2018



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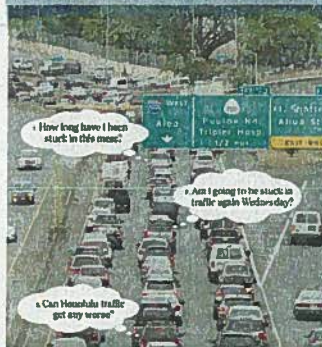
988 HALEKAUWILA: WHEN 424 LOCAL FAMILIES LIVE HERE... THEY WON'T BE STUCK IN TRAFFIC

WEDNESDAY 4/1/15

Star Advertiser WESTBOUND TRAFFIC JAM?

ALONG KIA • WE SERVICE ALL MAKES
ALIGNMENT SPECIAL!
\$69⁹⁵ FOUR WHEEL ALIGNMENT
EXCLUDES ALL ADJUSTMENTS
ALL SIZES & MODELS
664-0308 KIA

IT WAS NO JOKE.



How long have I been stuck in this mess?

Am I going to be stuck in traffic again Wednesday?

Can Honolulu traffic get any worse?

Honolulu lives up to its reputation for having the nation's third-worst commute after the H-I freeway ZipStables fail, clogging up roadways for hours

By Dan Robinson

Side by side in a jam, commuters in Honolulu and Kaimuki were stuck in traffic for hours on Tuesday, the day after a major accident on the H-1 freeway. The accident, which occurred on the H-1 freeway near the intersection of the H-1 and H-2 freeways, caused a major traffic jam that lasted for hours. The accident, which occurred on the H-1 freeway near the intersection of the H-1 and H-2 freeways, caused a major traffic jam that lasted for hours.

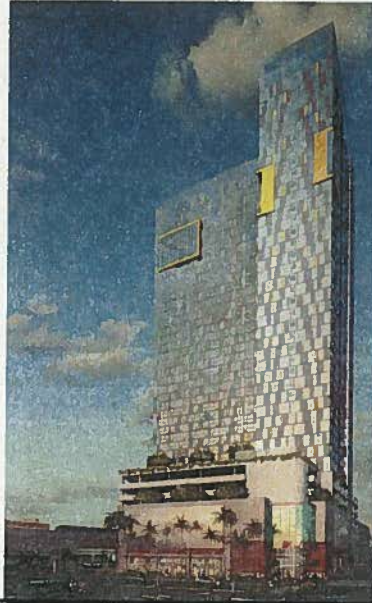
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Photo by TRAFFIC AD

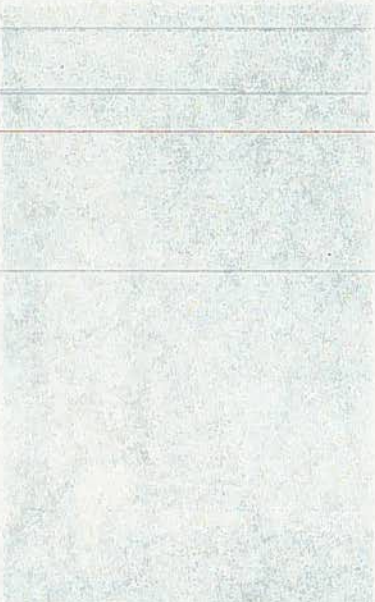


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988 HALEKAUWILA:
WHEN 424 LOCAL FAMILIES LIVE HERE...
THEY'LL BE HOME ALREADY



THEY'RE BEING HELD
WHEN THE LOCAL FAMILIES ARE HERE
AND HELD UP!



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