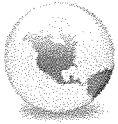


Victoria Ward, Limited Consolidated Motion

May 13, 2015

**Additional public testimonies
distributed at the public hearing.**



Public Testimony Website Submission Victoria Ward's Motion to Amend Development Permit
 JeffreyMasatsugu
 to:
 contact
 05/12/2015 10:03 PM
 Hide Details
 From: JeffreyMasatsugu <jmas808@gmail.com>
 To: contact@hcdaweb.org,

RECEIVED
 2015 MAY 13 AM 7 50

HAWAII COMMUNITY
 DEVELOPMENT
 AUTHORITY

Name

Jeffrey Masatsugu

Organization

Floor Layers Market Recovery Trust Fund

Address

222 Vineyard Street, PH4
 Honolulu, HI 96813
 United States
[Map It](#)

Email

jmas808@gmail.com

Project Name

Victoria Ward's Motion to Amend Development Permit

Do you support or oppose?

Support

Comment

We urge the HCDA to grant the Motion as requested by Victoria Ward. Extending the reserved housing rental requirement to 30 years is arbitrary and unreasonable, and would likely result in a decision to build fewer "for sale" units. Granting the Motion on the other hand would mean greater housing opportunities for a greater number of people and is in the best interest of the community. Therefore, we urge the HCDA to grant the Motion as requested.



Public Testimony Website Submission Victoria Ward's Motion to Amend Development Permit
 JeffreyMasatsugu
 to:
 contact
 05/12/2015 10:02 PM
 Hide Details
 From: JeffreyMasatsugu <jmas808@gmail.com>
 To: contact@hcdaweb.org,

RECEIVED
 2015 MAY 13 AM 7 50
 HAWAII COMMUNITY
 DEVELOPMENT
 AUTHORITY

Name

Jeffrey Masatsugu

Organization

Glaziers Stabilization Fund

Address

222 Vineyard Street, PH4
 Honolulu, HI 96813
 United States
[Map It](#)

Email

jmas808@gmail.com

Project Name

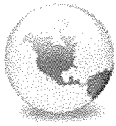
Victoria Ward's Motion to Amend Development Permit

Do you support or oppose?

Support

Comment

We urge the HCDA to grant the Motion as requested by Victoria Ward. Extending the reserved housing rental requirement to 30 years is arbitrary and unreasonable, and would likely result in a decision to build fewer "for sale" units. Granting the Motion on the other hand would mean greater housing opportunities for a greater number of people and is in the best interest of the community. Therefore, we urge the HCDA to grant the Motion as requested.



Public Testimony Website Submission Victoria Ward's Motion to Amend Development Permit
 JeffreyMasatsugu
 to:
 contact
 05/12/2015 10:01 PM
 Hide Details
 From: JeffreyMasatsugu <jmas808@gmail.com>
 To: contact@hcdaweb.org,

RECEIVED
 2015 MAY 13 AM 7 50

HAWAII COMMUNITY
 DEVELOPMENT
 AUTHORITY

Name

Jeffrey Masatsugu

Organization

Hawaii Tapers Market Recovery Trust Fund

Address

222 Vineyard Street, PH4
 Honolulu, HI 96813
 United States
[Map It](#)

Email

jmas808@gmail.com

Project Name

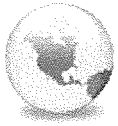
Victoria Ward's Motion to Amend Development Permit

Do you support or oppose?

Support

Comment

We urge the HCDA to grant the Motion as requested by Victoria Ward. Extending the reserved housing rental requirement from 15 to 30 years is arbitrary and unreasonable, and would likely result in a decision to build fewer "for sale" units. Granting the Motion as requested on the other hand would mean greater housing opportunities for a greater number of people and is in the best interest of the community. Therefore, we urge the HCDA to grant the Motion as requested.



Public Testimony Website Submission Victoria Ward's Motion to Amend Development Permit
 JeffreyMasatsugu
 to:
 contact
 05/12/2015 08:59 PM
 Hide Details
 From: JeffreyMasatsugu <jmas808@gmail.com>
 To: contact@hcdaweb.org,

RECEIVED

2015 MAY 13 AM 7 50

HAWAII COMMUNITY
DEVELOPMENT
AUTHORITY

Name

Jeffrey Masatsugu

Organization

Painters Labor Management Cooperation Trust Fund

Address

222 Vineyard Street, PH4
 Honolulu, HI 96813
 United States
[Map It](#)

Email

jmas808@gmail.com

Project Name

Victoria Ward's Motion to Amend Development Permit

Do you support or oppose?

Support

Comment

We urge the HCDA to grant the Motion as requested by Victoria Ward. Extending the reserved housing rental requirement to 30 years is arbitrary and unreasonable and would likely result in a decision to build fewer "for sale" units instead. Granting the Motion would mean more housing opportunities for more people and is in the best interests of the community. Therefore, we urge the HCDA to grant the Motion as requested.

TO: John Whalen, Chair
Honolulu Community Development Authority (HCDA)

FROM: Bob Nakata and Catherine Graham, Co-Chairs
Housing Task Force, Faith Action for Community Equity (FACE)

RE: **Howard Hughes Corporation, 988 Halekauwila Project
Decision-Making Hearing, May 13, 2015**

Chair Whalen and members of the Board of HCDA; FACE respectfully asks, if at all possible within the bounds of your policies on reserved housing, that you require this project to have its proposed affordable rental units be affordable for 30 years instead of the requested 15 years.

While we appreciate the great efforts Howard Hughes Corporation has made to make these units affordable to those families making between 80 percent to 100 percent of AMI, the extreme shortage of affordable rentals in Honolulu has pushed us to ask that your policies, if they do not allow you to require 30 years of affordability, be changed to allow you to do so. We hope that our position on this request will help create a situation on which government will be pushed to provide incentives such as land and funding to make it possible for developers to meet the desperate housing needs of our people.

We know that our position may cause Howard Hughes to withdraw its offer, but hope that they will instead join our efforts to have government provide incentives to increase the production of truly affordable housing so that homelessness can be ended in Honolulu and the outrageous situation of one homeless person a week dying on our streets can also be ended.



Via hand delivery

May 13, 2015

Mr. John Whalen, Chairperson
and Members
Hawaii Community Development Authority
547 Queen Street, 2nd Floor
Honolulu, Hawaii 96813

Comments Regarding the Consolidated Motion to Amend Development Permit Nos. KAK 13-036, KAK 13-037, and KAK 13-038 to the Allow For Rental and/or For Sale of Reserved Housing Units and to Extend the Time of Effective Period of Permit KAK 13-038

**Wednesday, May 13, 2015, at 9:00 a.m. (Decision-Making Hearing)
at 547 Queen Street, 2nd Floor, Honolulu, Hawaii 96813**

The Land Use Research Foundation of Hawaii (“LURF”) is a statewide private, non-profit research and trade association whose members include major Hawaii landowners, developers, and a utility company. LURF’s mission is to advocate for reasonable, rational and equitable land use planning, legislation, and regulations that encourage well-planned economic growth and development, while safeguarding Hawai‘i’s significant natural and cultural resources and public health and safety.

LURF appreciates the opportunity to provide **comments in support** of the approval of the reserved rental housing proposal in the Consolidated Motion to Amend Development Permit Nos. KAK 13-036, KAK 13-037, and KAK 13-038 to the Allow For Rental and/or For Sale of Reserved Housing Units and to Extend the Time of Effective Period of Permit KAK 13-038 (the “Consolidated Motion”) filed by Victoria Ward Limited (“VWL” or “Applicant”).

LURF’s comments are based on general land use master planning principles and process; consistency with the Hawaii Community Development Authority’s (“HCDA”) Mauka Area Rules, Hawaii Administrative Rules (“HAR”) Chapter 15-22 (“Vested Rules”); prior HCDA review and approvals of Development Permit Nos. KAK 13-036, 13-037, and 13-038 (“Development Permits”); HCDA’s *“Let’s all be part of the Solution”* Report, dated March 1, 2015, regarding affordable housing and reserved housing (“HCDA’s 2015 Housing Report”); testimony by experienced housing and economic professionals and the various State and County affordable housing task force reports and recommendations over the past ten years.

Consolidated Motion. Under the Consolidated Motion, VWL has requested: (1) an amendment to Development Permit Nos. KAK 13-036, 13-037, and 13-038 (“Development Permits”) to allow the satisfaction of reserved housing requirements through the sale and/or rental of reserved housing units to be developed as part of Development Permit No. KAK 13-038; and (2) to extend

the time of the effective period of Development Permit No. KAK 13-038 to allow construction on the 988 Halekauwila Project ("Project") to commence after July 17, 2015 based upon the financing schedule. The properties affected by the Motion are located within the Kakaako Community Development District ("KCDD").

Background. The following includes some of the pertinent facts relating to the reserved rental housing portion of the Consolidated Motion.

Pursuant to the Master Plan Permit, approved by HCDA on January 14, 2009, the rules applicable to this Motion are those contained in HAR Chapter 15-22 (the "Vested Rules"). Under the Vested Rules (BAR 15-22-115(a)) and the Master Plan Permit, VWL is required to provide *twenty percent (20%) of the total number of dwelling units as reserved housing*. Accordingly, Development Permit No. KAK 13-036 and Development Permit No. KAK 13-037 require VWL to provide approximately 125 reserved housing units.

LURF's Position. LURF supports VWL's motion to amend based on, among other things, the following:

- 1. VWL's motion to amend is consistent with the HCDA Vested Rules.** The HCDA Vested Rules allow VWL's proposed amendments relating to reserved housing rental units for a period of fifteen years, as requested in the Consolidated Motion. While the Vested Rules provide HCDA with discretion to impose a regulated period for reserved housing rental units for "*more than fifteen years*", there are substantial facts and expert testimony that support VWL's proposal to provide reserved rental housing units for a period of fifteen years.
- 2. The fifteen-year period for reserved rental housing complies with the HCDA's Revised Rules, as set forth in HAR Chapter 15-218.** The current HCDA Revised Rules specifically require the fifteen-year period (not thirty years).
- 3. VWL's motion to amend proposes to exceed the reserved housing requirements of the Master Plan Permits and the Development Permits.** If the motion to amend is granted, VWL will be produce reserved housing units which exceed HCDA's current requirements.
- 4. If VWL's motion to amend is granted, it will result in more reserved housing units than required.** Under Development Permit No. KAK 13-038, VWL will provide approximately 375 reserved housing units, which exceeds the amount required under Development Permit No. KAK 13-036 and Development Permit No. KAK 13-037 by more than three-fold.
- 5. By approving VWL's motion to amend, more needed rental reserved housing units will be occupied sooner and with fewer restrictions than the current permit conditions which allows only "for sale" units, which are harder for low-income families to qualify to purchase.** As part of the Consolidated Motion, VWL is requesting HCDA's approval to provide rental reserved housing units. Housing experts, State and county studies and reports, and HCDA's 2015 Housing Report all confirm that rental units are critically needed to address Hawaii's housing shortage; and that granting VWL's amended motion will allow broader and larger number of qualified renters than the current permit condition, which requires traditional "for-sale" reserved housing.

6. **Reserved rental housing units will be available sooner, if VWL's motion to amend is granted.** Under the Vested Rules (HAR 15-22-203(b)(1)(E)), VWL is required to provide the offsite reserved housing for Development Permit No. KAK 13-036 and Development Permit No. KAK 13-037 *"within two years after the development is completed on the development lot from which the reserved housing units were transferred"* LURF understands that if its motion to amend is granted, VWL has committed to provide the reserved rental housing units earlier than what is required under the Vested Rules.
7. **Providing reserved units without government subsidies, which will allow more funding for other affordable housing projects.** While most affordable housing projects are built using various government subsidies, VWL has stated that it will build the reserved housing units without government subsidies, such as the state-wide Low Income Housing Tax Credits (LIHTC). Usually, affordable housing developers must rely on LIHTC and other government subsidies to construct affordable housing projects. If the HCDA grants VWL's motion to amend, and VWL goes forward with the project as proposed, it will allow more available government funding for other affordable housing developments across the State.
8. **Support by Stakeholders experienced in affordable housing issues.** Stanford Carr, the most recent successful developer of affordable rental housing in Kakaako, has testified in support of the motion to amend, and in opposition to the proposed thirty-year requirement. Likewise, LURF understands that Dennis Oshiro, of the Hawaii Home Ownership Center (which helps individuals and families qualify to purchase a home), also supported VWL's motion to amend, and stated that the proposed thirty-year requirement was not necessary. Also, economic expert Paul Brewbaker has testified in support of the motion to amend and the fifteen-year requirement.
9. **The "thirty-year requirement" proposal is inconsistent with HCDA's Revised Rules and existing reserved housing policies for non-subsidized affordable rental projects.** LURF understands that some HCDA directors have discussed imposing a "thirty-year reservation period" requirement on VWL's proposed rental units. While such a suggestion might be well intended, LURF would respectfully submit that the current HCDA Revised Rules specifically require the fifteen-year period (not thirty years).
10. **The "thirty-year requirement" proposal is not supported by experienced affordable housing developers or experts; and imposing such a condition in this particular case, would be arbitrary, capricious and counter-productive to providing more affordable reserved housing rental units.** Government-subsidized affordable housing projects, particularly those making use of LIHTCs, include a thirty-year requirement. However, LURF understands that there are no thirty-year requirements for non-subsidized rental housing projects, as is the case with VWL's proposed rental housing. As noted above, experienced affordable housing developers, affordable housing stakeholders and economic experts - all do not support the thirty-year requirement.
11. **Imposing a "thirty-year requirement" would first require a HCDA rule change, subject to Chapter 91 of the Hawaii Revised Statutes.** Moreover, it is LURF's position that imposing such a thirty-year requirement is such a drastic change in existing HCDA Revised Rules and the application of the HCDA's Vested Rules to non-subsidized reserved

Mr. John Whalen, Chairperson
and Members
Hawaii Community Development Authority
May 13, 2015
Page 4

housing projects, that it would require a formal rule change, which follows HRS Chapter 91 rulemaking procedures and allows for public input. In the past, HCDA has taken the position that major changes in policy and requirements would require compliance with HRS Chapter 91 rulemaking requirements.*

Thus, based on the above, we respectfully urge the HCDA to favorably consider LURF's comments relating to VWL's Consolidated Motion and its proposed amendments related to rental reserved housing in the KCDD.

We appreciate the opportunity to provide comments on this matter. Should you have any questions, please feel free to contact us at (808) 521-4717 or via e-mail at darakawa@lurf.org.

Cc: Mr. Anthony Ching, HCDA Executive Director