Visual Comparison

HAWAII COMMUNITY DEVELOPMENT AUTHORITY

75-foot Podium

65-foot Podium
Additional Testimony of Race Randle

As requested by the Board, we are providing this additional evidence regarding adverse impacts if the podium height was reduced from 75 to 65 feet.

‘A’ali’i is proposed to meet significant local market demand and to provide homes that are attainable to local residents who are now willing and eager to live the urban lifestyle that is becoming a reality in Kaka‘ako. It is an opportunity that has not previously existed as a complete lifestyle community. We all recognize the importance and the dire need to provide housing which meets this demand. For Ward Village, ‘A’ali’i will fill a current gap in housing options for unit types and pricing. ‘A’ali’i will provide a new supply of studio, one-bedroom, and two-bedroom homes generally in a price band below what remains available at Ae’o and Anaha.

Thus the design of the project, along with the 75-foot podium height, allows the project to meet these goals. However, a reduction of the podium height to 65-feet would result in the loss of one floor of residential homes that line the podium, one full floor of parking, and lack of parking would cause a loss of additional homes in the tower. The impact would be as follows:

1) The loss of one full floor of parking would result in 124 parking stalls lost from ‘A’ali’i. This would reduce the total parking count from approximately 826 to 702. This resulting parking count would allow for 628 residential parking stalls in addition to the retail and guest parking for the building.

2) At least 123 homes would be lost from ‘A’ali’i reducing the total number from approximately 751 to 628 based upon a minimum parking offering of one stall per home. Of significance is that this would include 18 homes from the podium liner, and these units, based on their size and location, would be the units most attainable for those with lower relative income levels. A further reduction of homes below 628 could also occur based upon further design work, market studies on the ability to sell one and two bedroom homes with one parking space, and other cost factors.

3) 24 reserved homes would be lost as a result of the overall reduction in homes.

4) The residential outdoor amenity deck on top of the podium would be subjected to greater noise impact from the adjacent rail line. By bringing the amenity deck lower, and therefore closer, to the rail line and passing train, the residents’ experience on one of the key outdoor amenities would be impacted.

5) Prices for homes in ‘A’ali’i would increase due to fewer homes being able to share in the fixed costs of building the ‘A’ali’i project. Items such as foundation work, elevators, and infrastructure are generally fixed costs that will not be significantly reduced in the elimination of parking and homes. Estimates by our construction management team indicate an increase in the cost per home of at least $36,000/home due to the common area costs being shared by fewer homes.

6) Monthly maintenance fees for homes would increase due to fewer homes being able to share the monthly costs of the building association.
7) Of note, there would be no material impact to views or other visual impact by lowering the podium height 10 feet. There are no surrounding buildings whose view impact would be materially different based upon a 75-foot versus 65-foot podium. Given the fact that the podium is surrounded by the rail line and a future building podium to the west, the 10-foot height difference is not material. Further, because of the tree landscaping along the sidewalk on the makai side of ‘A’ali’i, there would not be any material visual impact to pedestrians walking along the Halekauwila extension drive.

8) The economic viability would be severely altered by the reduction in homes. As indicated, a reduction in podium height would trigger a loss of at least 123 homes and a need to increase maintenance fees and home prices. However, this is counter to the goal of the project and the needs of the buyers who have indicated a high demand for lower home prices in Kakaako.

**Consistent Podium Heights within Master Plan.** A 75-foot podium is consistent with the Ward Village Master Plan, including buildings currently under construction. As the master plan rendering submitted herewith shows, Anaha, Aʻeʻo, and Ke Kihohana all are approved and under construction with 75-foot podium heights. The height of the Aʻeʻo podium includes the podium space on both the east and west sides of the tower. Therefore, we believe that it is good master planning to keep a consistent podium height throughout the Ward Village Master Plan. Similarly, the exhibit shows that the 65-foot height has been approved for three projects along Ala Moana Boulevard. Given that these developments are directly along a major roadway, the 65 foot podiums provide a consistent frontage and a step down from the 75 foot podiums mauka of Auahi Street.

**Providing Affordable Home Prices Targeted for Local Buyers.** A goal of the ‘A’ali’i development is to increase the supply of attainable homes for the local buyer. This will help solve the widely-recognized supply shortage and provide opportunity for those who are currently renting, living with family or others, or looking to move “up” in the housing spectrum based on their career and/or financial progressions. To meet this important community goal, our effort is to provide homes that are priced to be attainable for the local market. To do this, we work to (i) control the costs of building ‘A’ali’i; and (ii) design the building, common areas, and amenities to manage monthly maintenance fees. As outlined above, reducing the podium height reduces the number of homes, thereby increasing the cost of the development per home, thus working against the goal of providing attainable housing. It also increases monthly maintenance fees, since there is no change in the common space and amenities, but fewer homes to share in the operating costs. Based on the target market of local, young professional and retiree buyers, these two cost increases will significantly reduce the ability for ‘A’ali’i to have as great of an impact on the housing market.

Additional Responses:

**Streetside Retail Activation.** Given the location of ‘A’ali’i and the fact that much of the frontage along the Halekauwila Extension Drive will be directly at the top of the Central Plaza, it is of highest importance that the street level of ‘A’ali’i contribute to the community activation
that is desired by the community and identified in the Ward Village Master Plan. Given the location and orientation of the building, ‘A’ali’i would not be an appropriate place for streetside residences. Further, the clear ceiling height of the first floor at ‘A’ali’i is required to be at least 14 feet to allow for loading access to the freight elevators in each tower.

Recreation Deck Requirements. The question was posed on whether we could eliminate the recreation deck on top of the podium and replace it with parking, such that a reduction in podium height would not impact parking spaces. We are unable to eliminate the recreation deck because 15-22-65 requires 55 sq. ft. of recreation space per unit. As is common practice in development, the space atop the parking podium is used to provide residents with a convenient and enjoyable space, providing for the best practice on fulfilling the required recreation space. Additionally, at ‘A’ali’i, we are using the top floor of the building to provide the additionally required recreation space, providing the amenities that were designated by community input as being priority building amenities. Eliminating the recreation space on top of the parking podium would be in violation of the rules.

Our analysis has shown that the economic viability of ‘A’ali’i would be severely altered by a 65-foot podium height that would reduce the number of homes that could be provided for the market. The results of fewer homes, higher purchase prices, and increased monthly maintenance fees are counter to the goals of the project, of Ward Village, and, we believe, of HCDA. Based upon the foregoing, we ask that the Board approve the ‘A’ali’i application as submitted, including the 75-foot podium modification.
Supplemental Testimony of Scott Higashi

I provide the following additional testimony based upon the question of the Board in regards to the feasibility and impacts of reducing parking spaces within the planned development. In my professional and expert capacity, I provide the following:

1. Parking is a major priority in a buyer’s decision making process in buying a home.
2. This priority is heightened in condominium purchases, where buyer considerations include not only the number of stalls appurtenant with the unit, but the stalls’ location, size and whether it is an assigned stall or first come, first served parking.
3. Currently, proximity to future rail stations in the urban core of Honolulu are not factored into home buying, and therefore, the concept of reduced parking needs based upon proximity to a future rail station is not a reality in today’s market.
4. The uncertainty of the timing and completion of Honolulu’s rail system makes it impossible for current buyers to factor in the impact of rail on parking needs.
5. As is evidenced by cities with existing rail or other mass transit alternatives, rail does not replace the need for parking.
6. Even upon implementation, Honolulu’s rail line will not service a sufficient amount of potential destinations to allow any material segment of our population to live without a private car.
7. I hope that with the rail line implementation and the infusion of car share, Uber, and other taxi like services, that our residential population will be able to reduce their reliance on private cars. However, that is not a reality in our near to mid-term future.
8. Based upon my understanding of the ‘A’ali’i project, it has the lowest ratio of parking per unit of any Ward Village project. This makes sense based upon its proximity to the future rail station. However, the fact that not all of the proposed 2-bedroom units will have 2 parking spaces is, in today’s market, will create a barrier for potential buyers.
9. A lack of parking spaces in a new condominium development, like ‘A’ali’i, would severely impact the marketability, sales and sales pace of the project.
10. More importantly, it would hinder and likely prevent many local buyers who have the desire to live within our urban core from making such a move, thereby preventing them from realizing the lifestyle advantages of living in an urban setting like Ward Village and Kakaako.