

1288 Kapiolani Blvd, Apt 1905  
Honolulu, Hawaii 96814

May 17, 2017

Mr. John Whalen, Chairperson  
and Members  
Hawaii Community Development Authority

RECEIVED  
MAY 17 2017

Hawaii Community Development Authority  
By:

Aloha Mr. Whalen and Committee Members,

Thank you for your efforts to produce amendments to the Kaka'ako Reserved Housing Rules that would address the needs for Affordable Housing. As the Chair of District 26 (McCully, Kaheka, Kaka'ako, Downtown) of the Democratic Party of Hawai'i, I can unequivocally state that District 26 is very interested and concerned about the issue of Affordable Housing, especially as we have seen a growing population of homeless in our District. I have encouraged members of our District to submit individual comments on your proposed rules as we have not had the opportunity to meet before your meeting. Thus, as a kama'āina and resident of the Kaka'ako District, I offer the following recommendations to the proposed rules:

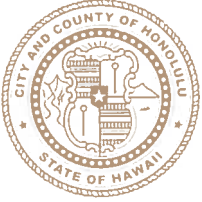
1. The definition of moderate income, as it is proposed, is simply too high to make a positive difference on our mutual needs. Hawaii is primarily a service industry with many employees earning the minimum wage of \$9.25. Recommend define "moderate income" as 120% of area median income or a lower AMI. It's now 140% AMI-- 40% above the median! The HCDA 2014 study and previous 2016 draft amendments had the maximum for "moderate income" at 120%AMI.
2. Currently 20% of the housing units built in a project are "reserved for "low and moderate income" households. Recommend that such reserved units include an allocation for those in the low income group with low income defined as 80% AMI or lower. The definition of low income is fine but there is nothing in the amendments to require that at least a portion of the 20% go to low income households.
3. Include in the rules a requirement for evaluation of these rules minimally every 18 months for the purpose of determining whether it has achieved its intended purpose of producing affordable homes in the amounts necessary to address the needs of the community.

I have made no comments as it relates to the interests of developers and the mortgage industry since I am not knowledgeable enough to do so. They are best to represent their interest, but it is obvious, that the rules, to be effective, must take into consideration any concerns that they may have. I would simply ask, however, that such rules be reasonable and with the intent of their contributing to the solution to produce affordable housing. We all have a responsibility to assure that the kama'āina, the people of Hawai'i, have affordable housing.

Mahalo for your consideration of my comments.

Respectfully

  
Marilyn Leimomi Khan



**CITY COUNCIL**  
CITY AND COUNTY OF HONOLULU  
530 SOUTH KING STREET, ROOM 202  
HONOLULU, HAWAII 96813-3065  
TELEPHONE: (808) 768-5010 • FAX: (808) 768-5011

**CAROL FUKUNAGA**  
HONOLULU CITY COUNCIL, DISTRICT 6  
PHONE: 768-5006 FAX: 768-1199  
EMAIL: cafukunaga@honolulu.gov

**RECEIVED**  
MAY 17 2017

May 17, 2017

Hawaii Community Development Authority

By:

Chair John Whalen and Board Members  
Hawaii Community Development Authority  
547 Queen Street, 2nd floor  
Honolulu, Hawaii 96813

TESTIMONY OF COUNCILMEMBER CAROL FUKUNAGA, CD-06  
Re: PROPOSED AMENDMENTS RELATING TO HAR CHAPTER 15-218  
"KAKAAKO RESERVED HOUSING RULES"

Thank you for the opportunity to express my strong support for HCDA's proposed rule changes, and for the additional time that HCDA has provided for business, community and government stakeholders to comment on the ways in which the proposed rule changes can help to address Hawaii's affordable housing crisis.

I applaud HCDA for its efforts to revise its rules to provide affordable housing for Honolulu's working families, particularly within Honolulu's urban core.

In this regard, I appreciated the May 2, 2017 comments on the Kakaako Reserved Housing Rules (Revised) submitted by City Department of Planning and Permitting, which stated in part: *"The draft HCDA Rules and the City's proposed policies are more closely aligned than in the past, with respect to defined recipient or need group, offering an in-lieu fee option, and longer resale restriction time periods. This is good practice, as we are dealing with generally, the same developers and overall housing market, and consistent policies should produce an even distribution of affordable housing."*

As such, I encourage HCDA to align its rule change for reserved housing with the City's proposal for its affordable housing requirement (AHR) ordinance to reduce the top tier of affordability from 140 percent of Area Median Income (AMI) to 120 percent of AMI, with one-half of the affordable units priced at 100 percent of AMI.

Through the alignment of state and county development policies for affordable housing, we can focus on the areas of greatest need in a consistent manner, and leverage state/county zoning within transit oriented development (TOD) neighborhoods to achieve higher levels of moderate-income housing than can be achieved today.

Additionally, the application of consistent affordable housing policies within 'hot market' areas like Ala Moana and Kakaako will strengthen affordable housing strategies involving state or county lands in other TOD neighborhoods like Chinatown, Iwilei, Kalihi, Kapalama, Aloha Stadium, Waipahu and Kapolei.

In such neighborhoods, **Ordinance 16-26** provides maximum development density bonuses for state or county housing agencies (e.g., State Hawaii Public Housing Authority, Hawaii Housing Finance and Development Corporation, or City Department of Community Services) to increase the number of low- to moderate-income rentals that are constructed.

In closing, I would like to extend my thanks to the HCDA board and its staff for the countless hours of research, public testimonies and comments, technical review and analysis that have resulted in the Amendments to *HAR CHAPTER 15-218, Kakaako Reserved Housing Rules*. Thank you for your consideration.

**“A`ohe hana nui ke alu `ia”** - Hawaiian Proverb  
(*No task is too big when done together by all.*)