

SUMMARY OF WRITTEN AND ORAL TESTIMONIES RECEIVED AT PUBLIC HEARING

Summary of Written Testimony from March 28, 2017 Public Hearing

Name/Company	Summary of Written Testimony	HCDA Staff Comment
Stanford Carr	Opposes the provisions establishing buyback price of reserved housing units and regulated term for rental reserved housing units. HCDA should either continue calculating a reserved housing unit buyback price under the existing rules or employ the share appreciation equity program formula provided by the Hawaii Housing Finance and Development Corporation.	<p>The buyback price for a reserved housing unit in the current Kakaako Reserved Housing Rules (HAR 15-218) is based on lower of (1) the current fair market price of the reserved housing unit as determined by the Authority less the Authority’s share of quit in the unit, or (2) the reserved housing unit price calculated based on the AMI at the time of the sale of the unit.</p> <p>In the proposed rule amendment the buyback price is calculated based on annual median sales price percent change for condominiums published by the Honolulu Board of Realtor (HBR). The past 30 year of annual median sales price change data for condominiums published by HBR shows an annual return of 4.7%. The proposed formula for calculating buyback price provides good return to the reserved housing owner on his/her equity in the reserved housing unit. Additionally, buyback by the HCDA will not necessitate the reserved housing owner to engage a real estate broker for the sales, thus resulting in substantive savings for the owner.</p> <p>The proposed rules amendment proposes to utilize a similar formula as used by the Hawaii Housing Finance and Development Corporation for calculating HCDA’s share of equity in the reserved housing unit.</p>
Carol K. Lam/SERVCO	Supports the goal to promote more reserved housing and workforce housing opportunities in Kakaako Community Development District. Decision making on reserved housing rules amendment should be postponed to provide small landowners/stakeholders in the central and mauka area of the Kakaako Community Development District more time to evaluate the impact of the proposed amendments on properties, businesses, and people.	Several meetings were held by HCDA staff and HCDA Reserved Housing Taskforce with stake holders to discuss proposed Reserved Housing Rules amendments. Servco has participated in at least 4 such meetings. In addition, Kakaako Reserved Housing Rules amendment was discussed at the Authority’s public meetings on March 1, 2015; May 6, 2015, September 2, 2015; February 3, 2016; July 7, 2016; September 7, 2016; January 4, 2017; and March 1, 2017. Various stakeholders, including Servco, were also contacted by HCDA staff by email and provided information on Kakaako Reserved Housing Rules amendments.
Ryan Tanaka/Waterhouse	Decision making on reserved housing rules amendment should be postponed to provide small landowners/stakeholders in the central and mauka area of the Kakaako Community Development District more time to evaluate the impact of the proposed amendments on properties, businesses, and people.	Several meetings were held by HCDA staff and HCDA Reserved Housing Taskforce with stake holders to discuss proposed Reserved Housing Rules amendments. In addition Kakaako Reserved Housing Rules amendment was discussed at the Authority’s public meetings on March 1, 2015; May 6, 2015, September 2, 2015; February 3, 2016; July 7, 2016; September 7, 2016; January 4, 2017; and March 1, 2017. Various stakeholders were also contacted by HCDA staff by email and provided information on Kakaako Reserved Housing Rules amendments.
Kenneth Chang	Include a “savings clause” in the proposed reserved housing amendment so that the amended rules, if adopted, would not apply to development permit applications currently being reviewed by the HCDA staff.	A “savings clause” is not included in the proposed amendment.
Sharon Moriwaki/Kakaako United	Change the definition of “moderate-income household” to mean a household whose income is greater than 80% but does not exceed 120% of area median income. Do not amend the provisions of §15-218-17(e). Maximum qualifying household income limit for purchase of a reserved housing or workforce housing unit should be 120% of area median	Given the high cost of living in Honolulu a household income of up to 140% can be considered to be within the range of moderate income and is consistent with

	<p>income. Cash-in-lieu requirement shall not be less than the cost to build a reserved housing or workforce housing unit. Require maximum allowable sale price for a reserved housing or workforce housing unit to be calculated based on area median income of no more than 120%.</p>	<p>the guideline provided by the Department of Housing and Urban Development. The Hawaii Housing Finance and Development Corporation also defines moderate income to be a household income of up to 140% of AMI.</p> <p>Section 15-218-17(e) is amended to address situations where the reserved housing units are provided in the same building as the market units. If reserved housing units are in the same building as the market units, as a practical matter, delivery of reserved housing units are made at the same time as the market units since the certificate of occupancy, in most cases, will be issued for all units at the same time. Therefore, if the reserved housing units are in the same building as the market units, the “delivery” language of §15-218-17(e) is not necessary. If the reserved housing units are provided in a standalone reserved housing building, the proposed amendment requiring bonding, and providing a copy of duly executed construction contract with a general contractor licensed to conduct business in the State of Hawaii for construction of the reserved housing provides certainty that the reserved housing units will be constructed.</p> <p>Since the cost of housing and cost of living in general very high in Honolulu, it is prudent to allow for household earning of up to 140% of AMI to be eligible for purchase of a reserved housing units. This broadens the pool of prospective buyers and affords opportunities for additional household to purchase a home. Since the allocation of reserved housing units is done either by lottery or on a first-come first-served basis, the selection process is household income neutral.</p> <p>The proposed cash-in-lieu formula serves as a sliding scale. Projects with luxury units will be subject to higher cash-in-lieu payment than projects that are affordable to household incomes closer to 140% of AMI. Several cities, including Boston, San Francisco, and Denver utilize a similar formula.</p> <p>The proposed amendments ensures that at least 50% of the required reserved housing units are priced at or under 120% of AMI.</p>
Office of Hawaiian Affairs (OHA)	Proposed amendments to the Kakaako Reserved Housing Rules are an encouraging step forward in addressing Hawaii’s growing affordable housing demand. OHA requests continued consideration of fair and equitable policies that provide Native Hawaiians and the greater community with truly affordable housing and home ownership opportunities, socio-economic growth, and upward mobility.	Comment noted.
Michael Baulig	Firmly in support of projects like 801 South Street.	Comment noted.
Almadhi Alsalim	Provide clarification in §15-218-20 regarding the provision of Authority’s option to modify the occupancy level if the reserved housing units are unsold or unrented by providing a time limit for how long the reserved housing units have to remain unsold or unrented for the Authority to consider modifying the occupancy requirement.	The proposed rules does not specify a fixed time limit to allow for flexibility to respond to changing economic conditions.
Kathy Sokugawa/DPP/C&C	The proposed amendments are generally aligned with the Mayor’s Affordable Housing Strategy and supported by the City and County’s policy and technical analysis.	Comment Noted.
Laurie Ann Chan/Avalon Development Company		Comment noted.

Alan Linton/Glass Metal Association		Comment noted.
Victoria Fallas	Need more workforce housing, do not over regulate.	Comment noted.
Galen Fox/Kakaako United	140% of AMI is not affordable. Lower the maximum qualifying AMI to 120%	Given the high cost of living in Honolulu a household income of up to 140% can be considered to be within the range of moderate income and is consistent with the guideline provided by the Department of Housing and Urban Development. The Hawaii Housing Finance and Development Corporation also defines moderate income to be a household income of up to 140% of AMI.
Kris Hui/OliverMcMillan	Remove §15-218-19. Remove §15-218-20. Increase asset Limit. Oppose the weighted average price to be calculated based on 120% of AMI. Oppose buyback and equity sharing provisions. Oppose proposed cash-in-lieu formula. Consider reducing the reserved housing requirement to less than 20% if the developer is providing rental reserved housing.	<p>Section 15-218-19 provides incentive if developers provide larger reserve housing units. The unit type and corresponding factor also act a higher multiplier factor in determining sales price of the unit for larger units.</p> <p>Section 15-218-20 is a guideline for the developer to be utilized when the number of applications for a reserved housing units exceed the number and type of reserved housing units available. It allows for families to purchase a reserved housing unit based on family size. It can be modified by the Authority, if necessary.</p> <p>Maximum weighted average price based on an AMI of 120% is necessary to provide “moderate to low income” households an opportunity to become home owners.</p> <p>Buyback and equity sharing provisions are necessary for ensuring long-term affordability of the reserved housing and workforce housing units.</p>
Representative Takashi Ohno/House of Representative	It is not prudent to place additional regulation and restrictions on the housing market that benefits working class and first-time home buyers. Buyback and equity sharing provisions may have unforeseen consequences.	The proposed rule amendments provide opportunity for “moderate to low income” households to become home owners. It also ensures long-term affordability of reserved housing units. Without the proposed maximum allowable pricing, qualifying income, equity sharing, and buyback provisions, most of the reserved housing and workforce housing units will convert to market units in a very short time.
Clint Hamabata/American Savings Bank	Proposed changes to workforce housing rules will make it less feasible for developers to build such buildings and will deter buyers from similar projects due to stricter resale and ownership restrictions.	The weighted average sales price of 801 South Street workforce housing project is closer to 100% of AMI. The proposed rules amendment allow for weighted average sales price of 120% of AMI providing developer additional flexibility. Also, the recent sale of ‘Ke Kilohana, a 375 unit reserved housing project, indicates that buyback and equity sharing provisions are not impediments in sales of reserved housing units.
R.B. Riegels	Make creative rules that encourage development of affordable housing instead of making the task more difficult by placing increased burden on residential developments community and un-subsidized buyers. Spread affordable housing requirement to all new projects including retail, commercial, and hotel development.	Since over 80% of redevelopment in the Kakaako Community Development District is residential development, imposing reserved housing requirement on commercial, retail, and hotel projects will not result in any significant gain in reserved housing units. It wouldn’t lighten the burden on residential project either.
Gladys Marrone/BIA-Hawaii	To address the current housing crisis there needs to be a shift in focus of how government views housing development and move from regulatory stance to production oriented stance. The proposed amendments revert to inclusionary zoning and exaction process that have proven ineffective over time. Incentivize the developers to build more affordable housing using one or more of the following incentive: (1) access to infrastructure, (2) density bonus, (3) waiver of sewer, water, and permitting fees, (4) waiver of GET, (5) waiver of real property taxes for a fixed period of time.	The proposed rule amendments provide substantial incentives to the developer for producing reserved housing units. These incentives are, (a) 20% floor area bonus for providing reserved housing, (b)100% floor area bonus for workforce housing projects, (c) no public facilities dedication fee requirement for reserved housing and workforce housing, (d) flexibility in providing off street parking and loading, (e) additional building height, (f) flexibility in yard setbacks. Additionally the HCDA invested over \$225 million in infrastructure improvement in the Kakaako Community Development District to encourage development. Through the provisions of Hawaii Revised Statutes, Section

		201H-38, a developer can receive exemption from permit fees and waiver from City & County and HCDA zoning requirements for affordable housing projects. Waiver of GET and property tax is also available for affordable housing projects. There are a number of incentives that are already available to developers for developing affordable housing projects.
Ryan Harada/Downtown Capital LLC	Workforce housing is different than reserved housing, therefore, rules governing workforce housing and reserved housing should be kept separate and the rules governing workforce housing should not be changed. Workforce housing is the best tool to increase supply of affordable housing.	Proposed rules amendment creates consistency between reserved housing and workforce housing rules. It provides opportunity for “moderate to low income” households to become home owners. It also ensures long-term affordability of reserved housing units.
Patricia Ho		Comment noted.
Lisa Eeveleth/Limit LLC	Step back and gather more information and input from the community (landowners, developers, banks, lenders, contractors, etc.) to better understand how to move forward in a productive manner to create more affordable housing. Keep the workforce housing regulation as is and do not add buyback and equity sharing requirements.	Several meetings were held by HCDA staff and HCDA Reserved Housing Taskforce with stakeholders to discuss proposed Reserved Housing Rules amendment. In addition Kakaako Reserved Housing Rules amendment was discussed at the Authority’s public meetings on March 1, 2015; May 6, 2015, September 2, 2015; February 3, 2016; July 7, 2016; September 7, 2016; January 4, 2017; and March 1, 2017. Various stakeholders were also contacted by HCDA staff by email and provided information on Kakaako Reserved Housing Rules amendment.
Linda Wong/Carline Limited Partnership	Take a step back and have a study made of effects on the proposed amendments on small landowners in Kakaako as well as those who are saying the new rules would not make it feasible to build affordable and workforce housing units. No reason to rush passage of the proposed amendments until a thorough study has been made.	Several meetings were held by HCDA staff and HCDA Reserved Housing Taskforce with stakeholders to discuss proposed Reserved Housing Rules amendment. In addition Kakaako Reserved Housing Rules amendment was discussed at the Authority’s public meetings on March 1, 2015; May 6, 2015, September 2, 2015; February 3, 2016; July 7, 2016; September 7, 2016; January 4, 2017; and March 1, 2017. Various stakeholders were also contacted by HCDA staff by email and provided information on Kakaako Reserved Housing Rules amendment.
Peter Ho/Bank of Hawaii	Imposing buyback with no term limit and requiring equity sharing with the HCDA could hamper the ability to sell such mortgages into secondary market such as Fannie Mae, Freddie Mac, VA, and FHA.	Buyback and equity sharing provisions have been part of the HCDA reserved housing rules (Mauka Area Rules) since the rules were first adopted in the early 1980s. In the sale and resale of reserved housing units over the years, concerns regarding secondary market such as Freddie Mac, Fannie Mae, VA, or FHA have never been raised. Information obtained from Freddie Mac, Fannie Mae, VA and FHA website indicates that the buyback and equity sharing provisions of the proposed amendment are consistent with the guidelines provided by these agencies.
Jeffery Guzon/Kalu Glass Company		Comment noted.
Rusty Rasmussen/Mortgage Bankers Association of Hawaii	Strongly recommend that any proposed draft amendment be confirmed to comply with guidelines of Fannie Mae, Freddie Mac, FHA, and VA to avoid potential financing problems.	Buyback and equity sharing provisions have been part of the HCDA reserved housing rules (Mauka Area Rules) since the rules were first adopted in the early 1980s. In the sale and resale of reserved housing units over the years, concerns regarding secondary market such as Freddie Mac, Fannie Mae, VA, or FHA have never been raised. Information obtained from Freddie Mac, Fannie Mae, VA and FHA website indicates that the buyback and equity sharing provisions of the proposed amendment are consistent with the guidelines provided by these agencies.
Wilson/Hawaiian Dredging Construction Company	Rule changes will effectively stop new projects. Reduced demand for market rate units will make it more difficult for developers to subsidize reserved housing units. Lower income affordable unit buyers will have difficulty qualifying for long term financing given rising interest rates and the Authority’s equity sharing and buyback requirements.	Rise in 30 year mortgage interest rates may impact affordability, however, the HCDA does not have the ability to influence interest rates. HCDA staff has not received any data from local developers that indicates that reserved housing units are subsidized by market housing units.
Michael McLaughlin	Proposed buyback and equity sharing rules unfairly affect the purchaser’s equity position. Rule should be amended to include time constraints on the buyback and equity sharing.	In the proposed rule amendment the buyback price is calculated based on annual median sales price percent change for condominiums published by the Honolulu Board of Realtor

	Afford a buyer that meets the time constraint requirements an opportunity to realize equity position and improve financial standing, affording the possibility of upward mobility in housing market.	(HBR). The past 30 year of annual median sales price change data for condominiums published by HBR shows an annual return of 4.7%. The proposed formula for calculating buyback price provides good return to the reserved housing owner on his/her equity in the reserved housing unit. Additionally, buyback by the HCDA will not require the reserved housing owner to engage a real estate broker for the sales, thus resulting in substantive savings for the owner. The initial equity in a reserved housing unit is the result of HCDA's requirement for providing reserved housing, and as such, it fair and reasonable for the HCDA to participate in that equity sharing.
Jay Kam/Kam Development LLC	Reconsider adopting the proposed rule changes and take more input from all interested parties.	Several meetings were held by HCDA staff and HCDA Reserved Housing Taskforce with stake holders to discuss proposed Reserved Housing Rules amendment. In addition Kakaako Reserved Housing Rules amendment was discussed at the Authority's public meetings on March 1, 2015; May 6, 2015, September 2, 2015; February 3, 2016; July 7, 2016; September 7, 2016; January 4, 2017; and March 1, 2017. Various stakeholders were also contacted by HCDA staff by email and provided information on Kakaako Reserved Housing Rules amendment.
Christopher Aguilera/Title Guaranty of Hawaii	Proposed rules will have a negative impact on the ability to provide housing for Hawaii's workforce and essential workers.	The proposed rule amendment provides substantial incentives to the developer for producing reserved housing units. These incentives are, (a) 20% floor area bonus for providing reserved housing, (b)100% floor area bonus for workforce housing projects, (c) no public facilities dedication fee requirement for reserved housing and workforce housing, (d) flexibility in providing off street parking and loading, (e) additional building height, (f) flexibility in yard setbacks. Additionally the HCDA invested over \$225 million in infrastructure improvement in the Kakaako Community Development District to encourage development. Through the provisions of Hawaii Revised Statutes, Section 201H-38, a developer can receive exemption from permit fees and waiver from City & County and HCDA zoning requirements for affordable housing projects. Waiver of GET and property tax is also available for affordable housing projects. There are a number of incentives that are available to developers for developing affordable housing projects. Combined with the existing incentive programs, the additional incentives provided in the amendment should encourage workforce housing development.
Allan Lock	Our children and grandchildren cannot afford housing in Hawaii. Please help. They need housing like 801 South Street.	The proposed rule amendment provide substantial incentives to the developer for producing reserved housing units. These incentives are, (a) 20% floor area bonus for providing reserved housing, (b)100% floor area bonus for workforce housing projects, (c) no public facilities dedication fee requirement for reserved housing and workforce housing, (d) flexibility in providing off street parking and loading, (e) additional building height, (f) flexibility in yard setbacks. Additionally the HCDA invested over \$225 million in infrastructure improvement in the Kakaako Community Development District to encourage development. Through the provisions of Hawaii Revised Statutes, Section 201H-38, a developer can receive exemption from permit fees and waiver from City & County and HCDA zoning requirements for affordable housing projects. Waiver of GET and property tax is also available for affordable housing projects. There are a number of incentives that are available to developers for developing affordable housing projects. Combined with the existing incentive programs, the additional incentives provided in the amendment should encourage workforce housing development.
Newton Chung	Buyback and equity sharing requirement for workforce housing will not stimulate for-sale affordable housing development in Kakaako.	In the proposed rule amendment the buyback price is calculated based on annual median sales price percent change for condominiums published by the Honolulu Board of Realtor (HBR). The past 30 year of annual median sales price change data for condominiums

		published by HBR shows an annual return of 4.7%. The proposed formula for calculating buyback price provides good return to the reserved housing owner on his/her equity in the reserved housing unit. Additionally, buyback by the HCDA will not require the reserved housing owner to engage a real estate broker for the sales, thus resulting in substantive savings for the owner. The proposed amendment makes the reserved and workforce housing financially very attractive to low-to-moderate income households.
Blair Suzuki/OliverMcMillan		Comment noted.
Nathan Alexander	Additional research and analysis needs to be completed on the impact of the proposed changes. They may deter development of more housing.	The proposed amendment makes the reserved and workforce housing financially very attractive to low-to-moderate income households.
Kristi Hirota/Hawaiian Properties		Comment noted.
Richard Quinn/HHF Planners		Comment noted
Henry Chang/Chang Architects	Propose reserved and workforce housing rules change will reduce production of low to moderately priced housing rather than increase it. Proposed rules will achieve the reverse of the intended purpose of increasing low cost housing production.	The proposed rule amendment provides substantial incentives to the developer for producing reserved housing units. These incentives are, (a) 20% floor area bonus for providing reserved housing, (b) 100% floor area bonus for workforce housing projects, (c) no public facilities dedication fee requirement for reserved housing and workforce housing, (d) flexibility in providing off street parking and loading, (e) additional building height, (f) flexibility in yard setbacks. Additionally the HCDA invested over \$225 million in infrastructure improvement in the Kakaako Community Development District to encourage development. Through the provisions of Hawaii Revised Statutes, Section 201H-38, a developer can receive exemption from permit fees and waiver from City & County and HCDA zoning requirements for affordable housing projects. Waiver of GET and property tax is also available for affordable housing projects. There are a number of incentives that are available to developers for developing affordable housing projects. Combined with the existing incentive programs, the additional incentives provided in the amendment should encourage workforce housing development.
Dallas Walker	Oppose parking requirement modification provision for reserved and workforce housing units. Include worker's compensation and temporary disability income and part of household income. Oppose cash-in-lieu provision.	Ability to reduce parking requirement and being able to provide shared parking enhances the developer's ability to construct affordable housing projects. It is for that reason flexibility in parking requirement is included in the proposed rule amendment. Worker's compensation and temporary disability payments are temporary in nature and, therefore, excluded from counting towards household income. Cash-in-lieu provision is provided in Hawaii Revised Statutes §206E-4(18).
Carol Sakata		Comment noted.
Steven Togami/CMC, dba Associated Steel Worker		Comment noted.
Richard McDonald		Comment noted.
Justin Izumi		Comment noted.
Rosanna Vierra		Comment noted.
Chris Anjo		Comment noted.
Alex Fergus	Proposed amendments will only compound housing problem by adding further layers of regulation which will result in significantly less housing being constructed for local people.	The proposed rule amendment provides substantial incentives to the developer for producing reserved housing units. These incentives are, (a) 20% floor area bonus for providing reserved housing, (b) 100% floor area bonus for workforce housing projects, (c) no public facilities dedication fee requirement for reserved housing and workforce housing, (d) flexibility in providing off street parking and loading, (e) additional building

		height, (f) flexibility in yard setbacks. Additionally, the HCDA invested over \$225 million in infrastructure improvement in the Kakaako Community Development District to encourage development. Through the provisions of Hawaii Revised Statutes, Section 201H-38, a developer can receive exemption from permit fees and waiver from City & County and HCDA zoning requirements for affordable housing projects. Waiver of GET and property tax is also available for affordable housing projects. There are a number of incentives that are available to developers for developing affordable housing projects. Combined with the existing incentive programs, the additional incentives provided in the amendment should encourage workforce housing development.
Barry raff		Comment noted.
Guy Churchill	Poorly thought through.	The proposed rule amendment provides substantial incentives to the developer for producing reserved housing units. These incentives are, (a) 20% floor area bonus for providing reserved housing, (b) 100% floor area bonus for workforce housing projects, (c) no public facilities dedication fee requirement for reserved housing and workforce housing, (d) flexibility in providing off street parking and loading, (e) additional building height, (f) flexibility in yard setbacks. Additionally the HCDA invested over \$225 million in infrastructure improvement in the Kakaako Community Development District to encourage development. Through the provisions of Hawaii Revised Statutes, Section 201H-38, a developer can receive exemption from permit fees and waiver from City & County and HCDA zoning requirements for affordable housing projects. Waiver of GET and property tax is also available for affordable housing projects. There are a number of incentives that are available to developers for developing affordable housing projects. Combined with the existing incentive programs, the additional incentives provided in the amendment should encourage workforce housing development.
Andrew Reenders		Comment noted.
Scott Morita		Comment noted.
Scot Matayoshi	Please make it easier for developers to build affordable housing in Hawaii.	The proposed rule amendment provides substantial incentives to the developer for producing reserved housing units. These incentives are, (a) 20% floor area bonus for providing reserved housing, (b) 100% floor area bonus for workforce housing projects, (c) no public facilities dedication fee requirement for reserved housing and workforce housing, (d) flexibility in providing off street parking and loading, (e) additional building height, (f) flexibility in yard setbacks. Additionally the HCDA invested over \$225 million in infrastructure improvement in the Kakaako Community Development District to encourage development. Through the provisions of Hawaii Revised Statutes, Section 201H-38, a developer can receive exemption from permit fees and waiver from City & County and HCDA zoning requirements for affordable housing projects. Waiver of GET and property tax is also available for affordable housing projects. There are a number of incentives that are available to developers for developing affordable housing projects. Combined with the existing incentive programs, the additional incentives provided in the amendments should encourage workforce housing development.
Tobias Martyn	Need more workforce hosing.	The proposed rule amendment provides substantial incentives to the developer for producing reserved housing units. These incentives are, (a) 20% floor area bonus for providing reserved housing, (b) 100% floor area bonus for workforce housing projects, (c) no public facilities dedication fee requirement for reserved housing and workforce housing, (d) flexibility in providing off street parking and loading, (e) additional building height, (f) flexibility in yard setbacks. Additionally the HCDA invested over \$225 million

		in infrastructure improvement in the Kakaako Community Development District to encourage development. Through the provisions of Hawaii Revised Statutes, Section 201H-38, a developer can receive exemption from permit fees and waiver from City & County and HCDA zoning requirements for affordable housing projects. Waiver of GET and property tax is also available for affordable housing projects. There are a number of incentives that are available to developers for developing affordable housing projects. Combined with the existing incentive programs, the additional incentives provided in the amendment should encourage workforce housing development.
Johathan Janus		Comment noted.
Keslie Hui		Comment noted.
Jeremy Shorestein	Amend the rules do that they support the development of workforce and affordable housing rather than making the risk return so unattractive that builders will only build luxury units and not build affordable housing.	The proposed rule amendment provides substantial incentives to the developer for producing reserved housing units. These incentives are, (a) 20% floor area bonus for providing reserved housing, (b) 100% floor area bonus for workforce housing projects, (c) no public facilities dedication fee requirement for reserved housing and workforce housing, (d) flexibility in providing off street parking and loading, (e) additional building height, (f) flexibility in yard setbacks. Additionally, the HCDA invested over \$225 million in infrastructure improvement in the Kakaako Development District to encourage development. Through the provisions of Hawaii Revised Statutes, Section 201H-38, a developer can receive exemption from permit fees and waiver from City & County and HCDA zoning requirements for affordable housing projects. Waiver of GET and property tax is also available for affordable housing projects. There are a number of incentives that are available to developers for developing affordable housing projects. Combined with the existing incentive programs, the additional incentives provided in the amendment should encourage workforce housing development.
Anthony Mizuno	Proposed reserved housing rules are bad and will worsen an already under supplied housing market.	The proposed rule amendment provides substantial incentives to the developer for producing reserved housing units. These incentives are, (a) 20% floor area bonus for providing reserved housing, (b) 100% floor area bonus for workforce housing projects, (c) no public facilities dedication fee requirement for reserved housing and workforce housing, (d) flexibility in providing off street parking and loading, (e) additional building height, (f) flexibility in yard setbacks. Additionally, the HCDA invested over \$225 million in infrastructure improvement in the Kakaako Development District to encourage development. Through the provisions of Hawaii Revised Statutes, Section 201H-38, a developer can receive exemption from permit fees and waiver from City & County and HCDA zoning requirements for affordable housing projects. Waiver of GET and property tax is also available for affordable housing projects. There are a number of incentives that are available to developers for developing affordable housing projects. Combined with the existing incentive programs, the additional incentives provided in the amendment should encourage workforce housing development.
Jacob Fergus/Fergus & Company		Comment noted.
Tyler Tokioka		Comment noted.
Kevin Ota/Marcus & Associates, Inc.		Comment noted.
Spencer Lee	Occupancy guidelines will turn away home buyers who plan to have kids in future but cannot buy a 2 bedroom unit. Asset limit will hurt buyers who have saved a substantial	Occupancy guidelines provide families the ability to purchase a reserved housing unit based on their family size. The guideline can be modified by the Authority, is necessary. Asset limit makes affordable housing available to families that need it the most. Closes a

	amount of money. Buyback and equity sharing will turn away prospective buyers for reserved as well as workforce housing units.	loophole that could allow investors to speculate on affordable housing units. The buyback provision is designed to keep affordable housing in the affordable range while providing a fair return on investment to the owner. Equity sharing ensures a fair rate of return to original buyer while returning equity subsidy so that it can be used to keep units affordable and building pool of funds to develop additions subsidized low income housing units.
Jim Miller	Proposed rules will have a negative impact on the ability to provide housing for Hawaii's workforce. Instead of regulation provide incentive such as eliminating 400 feet height limit and parking requirement and real property tax and GET exemptions.	The proposed rule amendment provides substantial incentives to the developer for producing reserved housing units. These incentives are, (a) 20% floor area bonus for providing reserved housing, (b) 100% floor area bonus for workforce housing projects, (c) no public facilities dedication fee requirement for reserved housing and workforce housing, (d) flexibility in providing off street parking and loading, (e) additional building height, (f) flexibility in yard setbacks. Additionally, the HCDA invested over \$225 million in infrastructure improvement in the Kakaako Community Development District to encourage development. Through the provisions of Hawaii Revised Statutes, Section 201H-38, a developer can receive exemption from permit fees and waiver from City & County and HCDA zoning requirements for affordable housing projects. Waiver of GET and property tax is also available for affordable housing projects. There are a number of incentives that are available to developers for developing affordable housing projects. Combined with the existing incentive programs, the additional incentives provided in the amendments should encourage workforce housing development. Hawaii Revised Statutes §206E-33(4) limits the building height in the Kakaako Community Development District to 418 feet.
Scott Kaneshiro		Comment noted.
David Arita/The Carpet Shoppe, Inc.	Make it easier for everyone to build and buy new homes.	The proposed rule amendment provides substantial incentives to the developer for producing reserved housing units. These incentives are, (a) 20% floor area bonus for providing reserved housing, (b) 100% floor area bonus for workforce housing projects, (c) no public facilities dedication fee requirement for reserved housing and workforce housing, (d) flexibility in providing off street parking and loading, (e) additional building height, (f) flexibility in yard setbacks. Additionally, the HCDA invested over \$225 million in infrastructure improvement in the Kakaako Community Development District to encourage development. Through the provisions of Hawaii Revised Statutes, Section 201H-38, a developer can receive exemption from permit fees and waiver from City & County and HCDA zoning requirements for affordable housing projects. Waiver of GET and property tax is also available for affordable housing projects. There are a number of incentives that are available to developers for developing affordable housing projects. Combined with the existing incentive programs, the additional incentives provided in the amendment should encourage workforce housing development.
Christina Dwight/Commercial Investment Strategies, LLC		Comment noted.
David Asakura		
Matthew Lamon	More regulation means less housing which compounds the housing shortage.	The proposed rule amendment provides substantial incentives to the developer for producing reserved housing units. These incentives are, (a) 20% floor area bonus for providing reserved housing, (b) 100% floor area bonus for workforce housing projects, (c) no public facilities dedication fee requirement for reserved housing and workforce housing, (d) flexibility in providing off street parking and loading, (e) additional building

		height, (f) flexibility in yard setbacks. Additionally the HCDA invested over \$225 million in infrastructure improvement in the Kakaako Community Development District to encourage development. Through the provisions of Hawaii Revised Statutes, Section 201H-38, a developer can receive exemption from permit fees and waiver from City & County and HCDA zoning requirements for affordable housing projects. Waiver of GET and property tax is also available for affordable housing projects. There are a number of incentives that are available to developers for developing affordable housing projects. Combined with the existing incentive programs, the additional incentives provided in the amendment should encourage workforce housing development.
Ronald Funai/CMC Steel/ASW		Comment noted.
Daniel Lum	Need less restrictions on developers to give them a chance to put more housing units into market or else there is no way for supply to meet the demand. Buyback and equity sharing provisions prevent owners of reserved and workforce housing from benefiting from equity appreciation.	The proposed rule amendment provides substantial incentives to the developer for producing reserved housing units. These incentives are, (a) 20% floor area bonus for providing reserved housing, (b) 100% floor area bonus for workforce housing projects, (c) no public facilities dedication fee requirement for reserved housing and workforce housing, (d) flexibility in providing off street parking and loading, (e) additional building height, (f) flexibility in yard setbacks. Additionally, the HCDA invested over \$225 million in infrastructure improvement in the Kakaako Community Development District to encourage development. Through the provisions of Hawaii Revised Statutes, Section 201H-38, a developer can receive exemption from permit fees and waiver from City & County and HCDA zoning requirements for affordable housing projects. Waiver of GET and property tax is also available for affordable housing projects. There are a number of incentives that are available to developers for developing affordable housing projects. Combined with the existing incentive programs, the additional incentives provided in the amendments should encourage workforce housing development. The buyback provision is designed to keep affordable housing in the affordable range while providing a fair return on investment to the owner. Equity sharing ensures a fair rate of return to original buyer while returning equity subsidy so that it can be used to keep units affordable and building pool of funds to develop additions subsidized low income housing units.
Van law	Allow for a tiered AMI requirement. Increase the reserved housing requirement for luxury market units. Increase the reserved housing requirement if the required reserved housing for a development is provided off site. Impose a 20% penalty for out-of-state investor who purchase a housing unit.	The proposed rule amendment allows for a tiered AMI up to an AMI of 140%. Fair application of the rules require that all type of residential project be treated equally in terms of rule requirements. The proposed amendment provides the ability to require additional reserved housing units if such units are proposed to be constructed outside of the Kakaako Community Development District. The HCDA does not have the ability to impose penalty on out-of-state investors who purchase a housing unit in the Kakaako Community Development District. This would require change to HCDA's enabling statute, HRS 206E.
Nathan C. Nelson/Hawaii Gas	Seek answers to following question: (1)what are the potential impacts of the rule amendments on landowners, (2) will the rule amendments be applied to landowners equally, (3) what is the economic impact of these rules amendments; will there be potential decreases in land values because of the rules; what will be the impact on potential homeowners.	The Hawaii Administrative Rule, Chapter 15-218 is promulgated to implement the provisions of Hawaii Revised Statutes, Chapter 206E, and addresses the requirement to increase supply of housing for residents of low or moderate income. Proposed rule amendment will be applied equally to all residential developments in the Kakaako Community Development District except for developments under the master plan permit Which vested under the provisions of Hawaii Revised Statutes §206E-7 (b). Overall economic impacts and land values are influenced by general economy and market conditions rather than the proposed rule amendment.

Summary of Oral Testimony from March 28, 2017 Public Hearing

Name/Company	Position	Summary of Written Testimony	HCDA Staff Comment
Richard Bowles/ Resident 801 South Street	Oppose	Do not make changes to workforce housing rules.	The proposed amendment to workforce housing rules are necessary to make the workforce housing units affordable to families in Hawaii, also to ensure that those units will remain affordable in the future.
Paul Cassidy/Waterhouse Foundation	Other	More time should be given to landowners in the KCDD to better understand the proposed amendments and their effect on landowners.	Several meetings were held by HCDA staff and HCDA Reserved Housing Taskforce with stake holders to discuss proposed Reserved Housing Rules amendments. In addition, Kakaako Reserved Housing Rules amendment was discussed at the Authority's public meetings on March 1, 2015; May 6, 2015, September 2, 2015; February 3, 2016; July 7, 2016; September 7, 2016; January 4, 2017; and March 1, 2017. Various stakeholders were also contacted by HCDA staff by email and provided information on Kakaako Reserved Housing Rules amendments.
Bill Wilson/Hawaiian Dredging Construction Company	Oppose	Proposed amendments to workforce housing, particularly the buyback and equity sharing provisions will result in no workforce housing being built in the KCDD in the future.	Buyback and equity sharing provisions are necessary for ensuring long-term affordability of the reserved housing units.
Harrison Rue/Department of Planning & Permitting	Support	Stands by the written testimony provided.	Comment noted
George Messengale/Hawaii Habitat for Humanity	Oppose	Lower the maximum allowable AMI used for establishing the sales price of reserved housing units from 140%.	The proposed amendment requires that the weighted average sales price of a reserved housing or workforce housing be calculated based on an AMI of 120%, which ensures that at least 50% of the reserved housing or workforce housing units are priced at or below 120% of AMI. Allowing a maximum qualifying household income of 140% of AMI creates opportunity for a large number of families in Hawaii to become home owners.
Galen Fox/Kakaako United	Oppose	140% of AMI is not affordable.	The proposed amendment requires that the weighted average sales price of a reserved housing or workforce housing be calculated based on an AMI of 120%, which ensures that at least 50% of the reserved housing or workforce housing units are priced at or below 120% of AMI. Allowing a maximum qualifying household income of 140% of AMI creates opportunity for a large number of families in Hawaii to become home owners.
Dan Nishikawa/OliverMcMillan	Oppose	Stands by written comments.	<p>Section 15-218-19 provides incentive if developers provide larger reserve housing units. The unit type and corresponding factor also act a higher multiplier factor in determining sales price of the unit for larger units.</p> <p>Section 15-218-20 is a guideline for the developer to be utilized when the number of applications for a reserved housing units exceed the number and type of reserved housing units available. It allows for families to purchase a reserved housing unit based on family size. It can be modified by the Authority, if necessary.</p> <p>Maximum weighted average price based on an AMI of 120% is necessary to provide "moderate to low income" households an opportunity to become home owners. Buyback and equity sharing provisions are necessary for ensuring long-term affordability of the reserved housing and workforce housing units.</p> <p>Section 15-218-20 is a guideline for the developer to be utilized when the number of applications for a reserved housing units exceed the number and type of reserved</p>

			<p>housing units available. It allows for families to purchase a reserved housing unit based on family size. It can be modified by the Authority, if necessary.</p> <p>Maximum weighted average price based on an AMI of 120% is necessary to provide “moderate to low income” households an opportunity to become home owners.</p> <p>Buyback and equity sharing provisions are necessary for ensuring long-term affordability of the reserved housing units.</p>
Stanford Carr	Other	Oppose provisions establishing buyback price of reserved housing units and regulated term for rental reserved housing units.	<p>The buyback price for a reserved housing unit in the current Kakaako Reserved Housing Rules (HAR 15-218) is based on lower of (1) the current fair market price of the reserved housing unit as determined by the Authority less the Authority’s share of quit in the unit, or (2) the reserved housing unit price calculated based on the AMI at the time of the sale of the unit.</p> <p>In the proposed rule amendment the buyback price is calculated based on annual median sales price percent change for condominiums published by the Honolulu Board of Realtor (HBR). The past 30 year of annual median sales price change data for condominiums published by HBR shows an annual return of 4.7%. The proposed formula for calculating buyback price provides good return to the reserved housing owner on his/her equity in the reserved housing unit. Additionally, buyback by the HCDA will not necessitate the reserved housing owner to engage a real estate broker for the sales, thus resulting in substantive savings for the owner.</p>
Ken Chang	Oppose	Workforce housing is one of the most successful programs in this country that addresses the lower middle and middle income housing problems. The number of workforce housing produced up to date exceeds the reserved housing units in KCDD. Much further study needs to be conducted on the proposed rules to make sure that there is no confusion that there are two levels of affordability that must be addressed by every community.	<p>The proposed amendment requires that the weighted average sales price of a reserved housing or workforce housing be calculated based on an AMI of 120%, which ensures that at least 50% of the reserved housing or workforce housing units are priced at or below 120% of AMI. Allowing a maximum qualifying household income of 140% of AMI creates opportunity for a large number of families in Hawaii to become home owners. The proposed amendments address the whole affordability spectrum.</p>
Lisa Eveleth	Oppose	Take a step back and gather more information and input from the community so we can best understand how to move forward in a productive manner to create more affordable housing. Keep the workforce housing rules as is and do not add buyback and equity sharing provisions.	<p>Several meetings were held by HCDA staff and HCDA Reserved Housing Taskforce with stake holders to discuss proposed Reserved Housing Rules amendment. In addition, Kakaako Reserved Housing Rules amendment was discussed at the Authority’s public meetings on March 1, 2015; May 6, 2015, September 2, 2015; February 3, 2016; July 7, 2016; September 7, 2016; January 4, 2017; and March 1, 2017. Various stakeholders were also contacted by HCDA staff by email and provided information on Kakaako Reserved Housing Rules amendments.</p> <p>The proposed amendments to workforce housing rules are necessary make the housing units affordable to families in Hawaii and also to ensure that those units will remain affordable in the future.</p>

Summary of written testimony received after March 28, 2017 public hearing

Name/Company	Summary of Written Testimony	HCDA Staff Comment
Kathy Sokugawa/City & County of Honolulu	Amends comments provided on March 24, 2017. Draft HCDA rules and City's proposed affordable housing policies and closely aligned. Provides summary of research or affordable housing policies conducted by the City.	Comment noted.
Christopher Delaunay/PRP	Proposed amendments threaten to halt construction of projects in Kakaako area. Honolulu faces a severe housing shortage. Requests that the HCDA reject the proposed amendments. Mortgage loans on reserved housing units and workforce housing units may not be a qualified mortgage under the Consumer Financial Protection Bureau's	The proposed rule amendments provide opportunity for "moderate to low income" households to become home owners. It also ensures long-term affordability of reserved housing units. The proposed rules creates opportunity for the stakeholders represented by PRP to me home owners. There is no hard data that indicates the proposed amendments will impact construction in Kakaako.
John Kobelanski	Please choose and support whatever is best for the Aina and the people of Hawaii Nei.	Comment noted.
Neal Okabayashi/First Hawaiian Bank	Applauds the efforts to increase inventory of affordable housing in Kakaako. Equity sharing may result in unintended consequence for reserved housing and workforce housing. Mortgage loan on reserved housing and workforce housing units may not be a qualified mortgage under Consumer Financial Protection Bureau's ability to repay rules because government sponsored enterprises such as Fannie Mae may not be willing to purchase such mortgage loans.	Buyback and equity sharing provisions have been part of the HCDA reserved housing rules (Mauka Area Rules) since the rules were first adopted in the early 1980s. In the sale and resale of reserved housing units over the years, concerns regarding secondary market such as Freddie Mac, Fannie Mae, VA, or FHA have never been raised. Information obtained from Freddie Mac, Fannie Mae, VA and FHA website indicates that the buyback and equity sharing provisions of the proposed amendment are consistent with the allowable restrictions guidelines provided by these agencies.
Sharon Moriwaki/Kakaako United	Same comments as March 28 Public Hearing.	
Justin Luney	Providing comments as a course requirement for Administrative Law class. Unclear how the changing requirement to provide reserved housing from residential development on a 20,000 square feet lot to development with 10 or more residential units will affect development in Kakaako. Equity sharing and buyback put undue hardship on buyers. Consider changing these requirements.	Requiring a residential development with 10 or more units will increase the inventory of affordable housing in Kakaako. Equity sharing and buyback provisions are necessary to maintain inventory of affordable housing in the long-term.
Linda Schatz/Scatz Collaborative	The community outreach process over the last three years has been spotty and not inclusive of the overall community. More of the same regulatory barriers will not increase housing supply at deeper affordability levels.	<p>Several meetings were held by HCDA staff and HCDA Reserved Housing Taskforce with stakeholders to discuss proposed Reserved Housing Rules amendment. In addition Kakaako Reserved Housing Rules amendment was discussed at the Authority's public meetings on March 1, 2015; May 6, 2015, September 2, 2015; February 3, 2016; July 7, 2016; September 7, 2016; January 4, 2017; and March 1, 2017. Various stakeholders were also contacted by HCDA staff by email and provided information on Kakaako Reserved Housing Rules amendment.</p> <p>The proposed rule amendments do not increase the requirement to provide affordable housing. The requirement is still 20%. Instead the proposed rule amendments provide substantial incentives to the developer for producing reserved housing units. These incentives are, (a) 20% floor area bonus for providing reserved housing, (b) 100% floor area bonus for workforce housing projects, (c) no public facilities dedication fee requirement for reserved housing and workforce housing, (d) flexibility in providing off street parking and loading, (e) additional building height, (f) flexibility in yard setbacks. Additionally the HCDA invested over \$225 million in infrastructure improvement in the Kakaako Community Development District to encourage development. Through the provisions of Hawaii Revised Statutes, Section 201H-38, a developer can receive exemption from permit fees and waiver from City & County and HCDA zoning</p>

		requirements for affordable housing projects. Waiver of GET and property tax is also available for affordable housing projects. There are a number of incentives that are already available to developers for developing affordable housing projects.
Derek Lock	There are inherent difference between workforce housing and reserved housing and they should be kept separate. An analogy of why workforce housing remains affordable is to compare it to a Toyota. Since the market value of Toyota is somewhat capped, the manufacturer builds and delivers a product at that market value while still turning a profit. The Toyota will never sell for the same price as a Lexus. Reserved housing is selling Lexus at Toyota pricing and in time, the Lexus selling at Toyota pricing has the opportunity to convert up and sell at Lexus prices. Buyback and equity sharing increase risks in the eyes of a construction lender.	The mechanics of commodities transaction such as the sale of cars tends be very different from that of sale of real estate assets, so the similarity between a workforce housing unit and a Toyota car is not very germane. A 2 bedroom reserved housing unit in 1133 Waimanu that was sold for \$203,000 in 1996 is selling for \$588,888 in 2016. That is an appreciation of 190% in 20 years. It is highly improbable that a Toyota bought in 1996 would appreciate by 190% in 20 years, rather the mechanics of commodity transaction would indicate that the Toyota would sell for a fraction of its original value, if at all. Construction and sale of reserved housing units in Kakaako in the past 30 years shows that lenders are willing and able to finance a reserved housing project that has buyback as well as perpetual equity sharing requirements.
David Oi	Implementation of any sort of equity sharing, buyback, or dedication fee would jeopardize the opportunity for home ownership. Do not make any changes to the current rules.	The proposed reserved housing rules amendment will create greater opportunity for home ownership for households in the low to medium income group. The proposed buyback and equity sharing provisions will create long-term affordability.
Jennifer Mitsuyoshi	Owner occupant of 801 South Street project. Proposed changes will discourage developers from constructing sorely needed affordable units and continue to keep homeownership out of the hands of working class people.	The proposed reserved housing rules amendment will create greater opportunity for home ownership for households in the low to medium income group. The proposed buyback and equity sharing provisions will create long-term affordability.
Jennifer Lum/Jordan Lum	Owners of unit in 801 South Street project. No change to workforce housing rules because of the potential negative impact it may have upon future growth of not only Kakaako community bit Hawaii at large.	The proposed reserved housing rules amendment will create greater opportunity for home ownership for households in the low to medium income group. The proposed buyback and equity sharing provisions will create long-term affordability.
Blane Yoshimura	Owner of unit in 801 South Street project. The proposed amendments will diminish opportunities like 801 South Street project and encourage projects that target high margin investors that do not support and house local community.	The proposed reserved housing rules amendment will create greater opportunity for home ownership for households in the low to medium income group. The proposed buyback and equity sharing provisions will create long-term affordability.
Sharon Moriwaki/Kakaako United	Same comments at March 28 public hearing	
LaurieAnn Takeno	Moderate income definition should be changed to 120% of AMI. Should return to earlier draft of the rules to ensure that housing is available for mixed income households.	Given the high cost of living in Honolulu a household income of up to 140% can be considered to be within the range of moderate income and is consistent with the guideline provided by the Department of Housing and Urban Development. The Hawaii Housing Finance and Development Corporation also defines moderate income to be a household income of up to 140% of AMI. The City and County of Honolulu affordable housing rules for unilateral agreements also define “moderate income household” as a house hold whose income is greater than 80% but which does not exceed 140% of the area median income.
Stanford Carr/ Stanford Carr Development	Same comments as March 28 public meeting.	
Jamie Strange	A healthy economy and upward mobility is the ability to capitalize on accrued equity in property over a reasonable time period. As property owners gain equity they eventually sell their property and move to other areas. This frees up the less expensive parcels for next generation. The proposed rule changes in equity sharing provisions impede this natural market progression by taking too much profit from property owner in the event of a sale.	The equity sharing formula in the proposed rules amendment is equitable and provides considerable opportunity to the owner of a reserved or workforce housing unit to realize considerable profit when sold after a number of years.

Tai-An Miao	Supports many of the provisions in the proposed rules amendments. Strongly encourages to return to an earlier draft of the proposed rules to ensure that reserved housing is provided for a range of mixed income households.	Given the high cost of living in Honolulu a household income of up to 140% can be considered to be within the range of moderate income and is consistent with the guideline provided by the Department of Housing and Urban Development. The Hawaii Housing Finance and Development Corporation also defines moderate income to be a household income of up to 140% of AMI. The City and County of Honolulu affordable housing rules for unilateral agreements also define “moderate income household” as a house hold whose income is greater than 80% but which does not exceed 140% of the area median income. The proposed rules amendments provide for a range of affordability and requires at least 50% of the reserved housing or workforce housing in a project to be priced at or below 120% of the AMI.
Ernestine Enomoto	The proposed rules contain a definition of “moderate income” household that is too high. Reserved housing should be reserved for households with annual incomes of no higher than 120% of AMI	Given the high cost of living in Honolulu a household income of up to 140% can be considered to be within the range of moderate income and is consistent with the guideline provided by the Department of Housing and Urban Development. The Hawaii Housing Finance and Development Corporation also defines moderate income to be a household income of up to 140% of AMI. The City and County of Honolulu affordable housing rules for unilateral agreements also define “moderate income household” as a house hold whose income is greater than 80% but which does not exceed 140% of the area median income. The proposed rules amendments provide for a range of affordability and requires at least 50% of the reserved housing or workforce housing in a project to be priced at or below 120% of the AMI.
Edward Pei/Hawaii Bankers Association	Supports the intent of the proposed rules amendments but concerned that some of the restrictions being placed on the reserved housing units will adversely impact the mortgage lending activities associated with these units.	The current as well as previous reserved housing rules always had equity sharing and buyback restrictions. There is no example of mortgages on existing reserved housing units being impacted by equity sharing and buyback restrictions.
Lauren Wetzell	Why 120% of AMI is used as “affordable” when non-partisan reports such as from the University of Hawaii would suggest using 80% of Ami as affordable.	Given the high cost of living in Honolulu a household income of up to 140% can be considered to be within the range of moderate income and is consistent with the guideline provided by the Department of Housing and Urban Development. The Hawaii Housing Finance and Development Corporation also defines moderate income to be a household income of up to 140% of AMI. The City and County of Honolulu affordable housing rules for unilateral agreements also define “moderate income household” as a house hold whose income is greater than 80% but which does not exceed 140% of the area median income. The proposed rules amendments provide for a range of affordability and requires at least 50% of the reserved housing or workforce housing in a project to be priced at or below 120% of the AMI. The proposed rules amendments do not prevent the developer from pricing reserved housing or workforce housing at 80% of AMI or developing a rental project at 80% of AMI.
Ellen Carson	It is critical to create more housing for low to moderate income residents and to protect the affordability of that housing for decades to come. We have a dire sortage of affordable housing and building for those with more than the median income does not help the 50% of our residents whose household income is less than the AMI.	Given the high cost of living in Honolulu a household income of up to 140% can be considered to be within the range of moderate income and is consistent with the guideline provided by the Department of Housing and Urban Development. The Hawaii Housing Finance and Development Corporation also defines moderate income to be a household income of up to 140% of AMI. The City and County of Honolulu affordable housing rules for unilateral agreements also define “moderate income household” as a house hold whose income is greater than 80% but which does not exceed 140% of the area median income. The proposed rules amendments provide for a range of

		affordability and requires at least 50% of the reserved housing or workforce housing in a project to be priced at or below 120% of the AMI. The proposed rules amendments do not prevent the developer from pricing reserved housing or workforce housing at 80% of AMI or developing a rental project at 80% of AMI.
Siddartha Savara	Opposes requiring developers to set aside any units as reserved housing. Is against the proposed changes to require even more artificially low pricing and subsidies from higher priced units to lower price units. If there is any reserved housing units developed, supports requiring owners to occupy the unit and giving HCDA 1 st option to purchase to keep it in the affordable pool.	Providing reserved housing is a requirement for developing residential projects in the Kakaako Community Development District. Workforce housing is a voluntary program and not a requirement. The reserved housing rules include owner occupant, equity sharing, and buyback provisions.
Calroline Fox	HCDA's reserved housing rules should define "moderate income" as 80%-120% of median income.	Given the high cost of living in Honolulu a household income of up to 140% can be considered to be within the range of moderate income and is consistent with the guideline provided by the Department of Housing and Urban Development. The Hawaii Housing Finance and Development Corporation also defines moderate income to be a household income of up to 140% of AMI. The City and County of Honolulu affordable housing rules for unilateral agreements also define "moderate income household" as a house hold whose income is greater than 80% but which does not exceed 140% of the area median income. The proposed rules amendments provide for a range of affordability and requires at least 50% of the reserved housing or workforce housing in a project to be priced at or below 120% of the AMI. The proposed rules amendments do not prevent the developer from pricing reserved housing or workforce housing at 80% of AMI or developing a rental project at 80% of AMI.
John Shockley/ The Free Access Coalition	The Free Access Coalition strongly suggests the HCDA follow the lower guideline of a maximum 120% of AMI to allow access to living quarters for working class families in the Kakaako district.	Given the high cost of living in Honolulu a household income of up to 140% can be considered to be within the range of moderate income and is consistent with the guideline provided by the Department of Housing and Urban Development. The Hawaii Housing Finance and Development Corporation also defines moderate income to be a household income of up to 140% of AMI. The City and County of Honolulu affordable housing rules for unilateral agreements also define "moderate income household" as a house hold whose income is greater than 80% but which does not exceed 140% of the area median income. The proposed rules amendments provide for a range of affordability and requires at least 50% of the reserved housing or workforce housing in a project to be priced at or below 120% of the AMI. The proposed rules amendments do not prevent the developer from pricing reserved housing or workforce housing at 80% of AMI or developing a rental project at 80% of AMI.
John F. Schapperle/Island Insurance Companies	Our employees in the 80% to 140% AMI group and especially those who fall in the higher end of this range with 120% to 140% AMI would be negatively impacted by the proposed rule changes as they would fall into a "gap group" whose housing needs would not be addressed. We urge HCDA to create incentives rather than disincentives for the active development of housing for Hawaii's middle class and to continue taking steps toward alleviating the critical shortage of housing for our local residents.	The proposed rules amendments allow for reserved housing or workforce housing units to be priced based on 140% of AMI thus reaching the "gap group". The proposed rule amendment provides substantial incentives to the developer for producing reserved housing units. These incentives are, (a) 20% floor area bonus for providing reserved housing, (b)100% floor area bonus for workforce housing projects, (c) no public facilities dedication fee requirement for reserved housing and workforce housing, (d) flexibility in providing off street parking and loading, (e) additional building height, (f) flexibility in yard setbacks. Additionally the HCDA invested over \$225 million in infrastructure improvement in the Kakaako Community Development District to encourage development. Through the provisions of Hawaii Revised Statutes, Section 201H-38, a

		developer can receive exemption from permit fees and waiver from City & County and HCDA zoning requirements for affordable housing projects. Waiver of GET and property tax is also available for affordable housing projects. There are a number of incentives that are available to developers for developing affordable housing projects. Combined with the existing incentive programs, the additional incentives provided in the amendment should encourage workforce housing development.
Reyn Tanaka	The proposed restrictions will inhibit potential buyers from taking the risk of waiting 2 to 3 years before a project is completed. Despite being an affordable and attractive building, a prudent buyer will not take a chance on a project that restricts their equity and limits their ability to move into a larger home	The purpose of reserved housing program is to provide housing opportunity for low to moderate income households. Workforce housing is a voluntary program and not a requirement on the developer. The sale of reserved housing units in projects such as the Symphony, and Ke Kiloana indicates that there are buyers that are very willing to purchase reserved housing units with restrictions.
Anders Hostelley/ Honolulu Home Loans	Local home buyers rely on the availability of mortgage loans to finance their home purchases. In the case of loans for new construction condominiums, the individual projects/buildings must be approved by Fannie Mae and Freddie Mac to be eligible for conventional mortgage loans and by FHA and VA to be eligible for government insured financing. We believe that the proposed deed restrictions would clearly affect the marketability of units within each project and could therefore render the entire project ineligible for secondary market financing.	Buyback and equity sharing provisions have been part of the HCDA reserved housing rules (Mauka Area Rules) since the rules were first adopted in the early 1980s. In the sale and resale of reserved housing units over the years, concerns regarding secondary market such as Freddie Mac, Fannie Mae, VA, or FHA have never been raised. Information obtained from Freddie Mac, Fannie Mae, VA and FHA website indicates that the buyback and equity sharing provisions of the proposed amendment are consistent with the guidelines provided by these agencies.
Mike Fergus	We need to allow the market to work to build more affordable homes. That will be accomplished by providing greater density to developers of workforce housing not by state control of rents and sales by home owners. There is great demand and limited supply; we need to make easier for the market to provide a greater supply not artificial controls by the state.	The proposed rule amendment provide substantial incentives to the developer for producing reserved housing units. These incentives are, (a) 20% floor area bonus for providing reserved housing, (b) 100% floor area bonus for workforce housing projects, (c) no public facilities dedication fee requirement for reserved housing and workforce housing, (d) flexibility in providing off street parking and loading, (e) additional building height, (f) flexibility in yard setbacks. Additionally the HCDA invested over \$225 million in infrastructure improvement in the Kakaako Community Development District to encourage development. Through the provisions of Hawaii Revised Statutes, Section 201H-38, a developer can receive exemption from permit fees and waiver from City & County and HCDA zoning requirements for affordable housing projects. Waiver of GET and property tax is also available for affordable housing projects. There are a number of incentives that are available to developers for developing affordable housing projects. Combined with the existing incentive programs, the additional incentives provided in the amendment should encourage workforce housing development.
Jianna Chew	Owner of a unit at 801 South Street project. Opposes the proposed rules because it makes young professionals take on all of the risk of real estate ownership, yet not get the full reward. Would not purchase a reserved or workforce housing units with equity sharing and buyback provisions.	The purpose of reserved housing program is to provide housing opportunity for low to moderate income households. Workforce housing is a voluntary program and not a requirement on the developer. The sale of reserved housing units in projects such as the Symphony, and Ke Kiloana indicates that there are buyers that are very willing to purchase reserved housing units with restrictions. Incentives provided in the amendment should encourage workforce housing development. The equity sharing formula in the proposed rules amendment is equitable and provides considerable opportunity to the owner of a reserved or workforce housing unit to realize considerable profit when sold after a number of years.
Gregory Dunn		Comment noted.
Arthur A. Ushijima/The Queen's Health System	Concerned that the HCDA is seeking to modify the development rules and alter the economic formula that encouraged private development to build significant numbers of affordable workforce housing units in Kakaako. While proposed changes may be well-	The proposed rule amendment provides substantial incentives to the developer for producing reserved housing units. These incentives are, (a) 20% floor area bonus for providing reserved housing, (b) 100% floor area bonus for workforce housing projects, (c) no public facilities dedication fee requirement for reserved housing and workforce

	intentioned, there could be unintended consequences that would discourage private developers from taking the necessary financial risks to create needed workforce housing.	housing, (d) flexibility in providing off street parking and loading, (e) additional building height, (f) flexibility in yard setbacks. Additionally the HCDA invested over \$225 million in infrastructure improvement in the Kakaako Community Development District to encourage development. Through the provisions of Hawaii Revised Statutes, Section 201H-38, a developer can receive exemption from permit fees and waiver from City & County and HCDA zoning requirements for affordable housing projects. Waiver of GET and property tax is also available for affordable housing projects. There are a number of incentives that are available to developers for developing affordable housing projects. Combined with the existing incentive programs, the additional incentives provided in the amendment should encourage workforce housing development.
Laila Spina	Do not allow for the increase of requirements for affordable housing in Kakaako. This seems to contradict the initial premise of HCDA to develop Kakaako into a “live, Work, Play” area.	Staff believes that the testifier is addressing the proposed amendment to allow for maximum sales price of reserved housing to be based on 140% on AMI. Given the high cost of living in Honolulu a household income of up to 140% can be considered to be within the range of moderate income and is consistent with the guideline provided by the Department of Housing and Urban Development. The Hawaii Housing Finance and Development Corporation also defines moderate income to be a household income of up to 140% of AMI. The City and County of Honolulu affordable housing rules for unilateral agreements also define “moderate income household” as a house hold whose income is greater than 80% but which does not exceed 140% of the area median income. The proposed rules amendments provide for a range of affordability and requires at least 50% of the reserved housing or workforce housing in a project to be priced at or below 120% of the AMI. The proposed rules amendments do not prevent the developer from pricing reserved housing or workforce housing at 80% of AMI or developing a rental project at 80% of AMI.
Rusty Rasmussen	Same testimony as for March 28, 2017 Public Hearing.	
Stanley Chang/Senator, District 9	The proposed amendments will have the combined effect of reducing production of housing for middle class. HCDA should not burden those attempting to build more workforce housing by imposing more restrictions, but should focus on positive incentives for affordable and workforce housing.	The proposed rule amendments provide opportunity for “moderate to low income” households to become home owners. It also ensures long-term affordability of reserved housing units. Without the proposed maximum allowable pricing, qualifying income, equity sharing, and buyback provisions, most of the reserved housing and workforce housing units will convert to market units in a very short time. The proposed rule amendment provides substantial incentives to the developer for producing reserved housing units. These incentives are, (a) 20% floor area bonus for providing reserved housing, (b) 100% floor area bonus for workforce housing projects, (c) no public facilities dedication fee requirement for reserved housing and workforce housing, (d) flexibility in providing off street parking and loading, (e) additional building height, (f) flexibility in yard setbacks. Additionally the HCDA invested over \$225 million in infrastructure improvement in the Kakaako Community Development District to encourage development. Through the provisions of Hawaii Revised Statutes, Section 201H-38, a developer can receive exemption from permit fees and waiver from City & County and HCDA zoning requirements for affordable housing projects. Waiver of GET and property tax is also available for affordable housing projects. There are a number of incentives that are available to developers for developing affordable housing projects. Combined with the existing incentive programs, the additional incentives provided in the amendment should encourage workforce housing development.

Patrick Kobayashi/Kobayashi Group LLC		Comment noted.
Junita Kawamoto	Please support our request to oppose the proposed increases that learily limit real affordable housing for Hawaii’s local population. Please oppose any further increases to minimize real affordable housing units in all current and future development in Hawaii, especially in Kakaako.	Staff believes that the testifier is addressing the proposed amendment to allow for maximum sales price of reserved housing to be based on 140% on AMI. Given the high cost of living in Honolulu a household income of up to 140% can be considered to be within the range of moderate income and is consistent with the guideline provided by the Department of Housing and Urban Development. The Hawaii Housing Finance and Development Corporation also defines moderate income to be a household income of up to 140% of AMI. The City and County of Honolulu affordable housing rules for unilateral agreements also define “moderate income household” as a house hold whose income is greater than 80% but which does not exceed 140% of the area median income. The proposed rules amendments provide for a range of affordability and requires at least 50% of the reserved housing or workforce housing in a project to be priced at or below 120% of the AMI. The proposed rules amendments do not prevent the developer from pricing reserved housing or workforce housing at 80% of AMI or developing a rental project at 80% of AMI.
Bryan Li	Rather than imposing additional regulations, HCDA should examine ways to encourage affordable housing development.	The proposed rule amendment provides substantial incentives to the developer for producing reserved housing units. These incentives are, (a) 20% floor area bonus for providing reserved housing, (b) 100% floor area bonus for workforce housing projects, (c) no public facilities dedication fee requirement for reserved housing and workforce housing, (d) flexibility in providing off street parking and loading, (e) additional building height, (f) flexibility in yard setbacks. Additionally the HCDA invested over \$225 million in infrastructure improvement in the Kakaako Community Development District to encourage development. Through the provisions of Hawaii Revised Statutes, Section 201H-38, a developer can receive exemption from permit fees and waiver from City & County and HCDA zoning requirements for affordable housing projects. Waiver of GET and property tax is also available for affordable housing projects. There are a number of incentives that are available to developers for developing affordable housing projects. Combined with the existing incentive programs, the additional incentives provided in the amendment should encourage workforce housing development.
Ben Wang	Development restrictions like the ones proposed create a building moratorium on new development. The city and other regulators agencies need to create incentives to entice developers to build more affordable housing.	The proposed rule amendment provides substantial incentives to the developer for producing reserved housing units. These incentives are, (a) 20% floor area bonus for providing reserved housing, (b) 100% floor area bonus for workforce housing projects, (c) no public facilities dedication fee requirement for reserved housing and workforce housing, (d) flexibility in providing off street parking and loading, (e) additional building height, (f) flexibility in yard setbacks. Additionally the HCDA invested over \$225 million in infrastructure improvement in the Kakaako Community Development District to encourage development. Through the provisions of Hawaii Revised Statutes, Section 201H-38, a developer can receive exemption from permit fees and waiver from City & County and HCDA zoning requirements for affordable housing projects. Waiver of GET and property tax is also available for affordable housing projects. There are a number of incentives that are available to developers for developing affordable housing projects. Combined with the existing incentive programs, the additional incentives provided in the amendment should encourage workforce housing development.
Galen Fox		Same testimony as provided for March 28, 2017 Public Hearing.

Sharon Moriwaki/Kakaako United		Same testimony as provided for March 28, 2017 Public Hearing.
Diana Lorenz/Feeding Hawaii Together	Development in Kakaako was envisioned as a place where local families can purchase a condo in an area close to where they work in Honolulu that gives a family an environment of parks, restaurants, stores, and employment within walking and biking distances. The proposed rules define “moderate income households” as households with \$140,000 annual income.	Proposed amendment defines “Moderate income Household” as a household whose household income is greater than eighty percent but does not exceed one hundred forty per cent of the area median income and not as \$140,000. The HUD published 100% AMI for 2017 for a household size of 4 is \$86,600. Therefore 140% of the AMI for a household of 4 for 2017 would be \$121,250 rounded to nearest \$10 and not \$140,000.
Paul Brewbaker/TZ Economics	Reducing reserved housing adjusted median income will result in less new housing development. Restricting homeowners leverage will undermine household’s financial flexibility. Continuous buyback option encumbers more heavily future values of underlying assets. Equity sharing may be unconstitutional and puts the state in unethical position of profiting on individual’s equity investment. Use of median existing Oahu home prices as an indexing mechanism ignores higher order moments of the underlying home price distribution.	Requiring the weighted average price to be based on 120% AMI will create much needed affordability at lower levels of AMI. Requiring any subsequent mortgage placed on the reserved or workforce housing unit by the owner to be limited to 80% of the original purchase price will create fiscal discipline and prevent subprime type of situations. The buyback price formula proposed in the rules based on a the historic median condominium price appreciation will allow for a 4.7% annual appreciation of the property which can hardly be described as encumbering future value of the asset. The shared equity is potential profit left by the developer on the table to create affordability and it is unethical to allow a reserved housing or workforce housing owner to profit from it. Instead the proposed rules provides for investing the money left on the table by the developer in maintaining long-term affordability. In addition, the proposed rule amendment provides substantial incentives to the developer for producing reserved housing units. These incentives are, (a) 20% floor area bonus for providing reserved housing, (b) 100% floor area bonus for workforce housing projects, (c) no public facilities dedication fee requirement for reserved housing and workforce housing, (d) flexibility in providing off street parking and loading, (e) additional building height, (f) flexibility in yard setbacks. Additionally, the HCDA invested over \$225 million in infrastructure improvement in the Kakaako Community Development District to encourage development. Through the provisions of Hawaii Revised Statutes, Section 201H-38, a developer can receive exemption from permit fees and waiver from City & County and HCDA zoning requirements for affordable housing projects. Waiver of GET and property tax is also available for affordable housing projects. There are a number of incentives that are available to developers for developing affordable housing projects. Combined with the existing incentive programs, the additional incentives provided in the amendment should encourage workforce housing development.
J. Gerry Majkut	Proposed rules will have negative effect on the development of future workforce housing in Kakaako. If the proposed rules changes are adopted no new reserved or workforce housing units will be developed in Kakaako without government financing.	The proposed rule amendment provides substantial incentives to the developer for producing reserved housing units. These incentives are, (a) 20% floor area bonus for providing reserved housing, (b) 100% floor area bonus for workforce housing projects, (c) no public facilities dedication fee requirement for reserved housing and workforce housing, (d) flexibility in providing off street parking and loading, (e) additional building height, (f) flexibility in yard setbacks. Additionally, the HCDA invested over \$225 million in infrastructure improvement in the Kakaako Community Development District to encourage development. Through the provisions of Hawaii Revised Statutes, Section 201H-38, a developer can receive exemption from permit fees and waiver from City & County and HCDA zoning requirements for affordable housing projects. Waiver of GET and property tax is also available for affordable housing projects. There are a number of incentives that are available to developers for developing affordable housing projects. Combined with the existing incentive programs, the additional incentives provided in the amendment should encourage workforce housing development.

Karen Sheddon/The Michaels Organization	Proposed amendments have the impact of impeding development of housing stock in general and affordable housing in particular. While many factors contribute to the challenges of developing affordable housing in Hawaii, including land scarcity, construction cost, and infrastructure capacity, additional regulations add significant layers of difficulty that serve as disincentives for developing affordable housing.	The proposed rule amendment provides substantial incentives to the developer for producing reserved housing units. These incentives are, (a) 20% floor area bonus for providing reserved housing, (b) 100% floor area bonus for workforce housing projects, (c) no public facilities dedication fee requirement for reserved housing and workforce housing, (d) flexibility in providing off street parking and loading, (e) additional building height, (f) flexibility in yard setbacks. Additionally, the HCDA invested over \$225 million in infrastructure improvement in the Kakaako Community Development District to encourage development. Through the provisions of Hawaii Revised Statutes, Section 201H-38, a developer can receive exemption from permit fees and waiver from City & County and HCDA zoning requirements for affordable housing projects. Waiver of GET and property tax is also available for affordable housing projects. There are a number of incentives that are available to developers for developing affordable housing projects. Combined with the existing incentive programs, the additional incentives provided in the amendment should encourage workforce housing development.
Catherine Graham/Housing Now	30 years is the absolute minimum if we want to truly create an inventory of affordable housing in our community. 60 years or in perpetuity would be even better. Any development built at 120%-140% of AMI is affordable.	The proposed rules amendment provides for continuous buyback provisions for for-sale reserved and workforce housing units which will translate in long-term affordability. Given the high cost of living in Honolulu a household income of up to 140% can be considered to be within the range of moderate income and is consistent with the guideline provided by the Department of Housing and Urban Development. The Hawaii Housing Finance and Development Corporation also defines moderate income to be a household income of up to 140% of AMI. The City and County of Honolulu affordable housing rules for unilateral agreements also define “moderate income household” as a house hold whose income is greater than 80% but which does not exceed 140% of the area median income. The proposed rules amendments provide for a range of affordability and requires at least 50% of the reserved housing or workforce housing in a project to be priced at or below 120% of the AMI. The proposed rules amendments do not prevent the developer from pricing reserved housing or workforce housing at 80% of AMI or developing a rental project at 80% of AMI.
Robert Armstrong	The definition of moderate income, as it is proposed, is simply too high to make a positive difference on need for affordable housing.	Given the high cost of living in Honolulu a household income of up to 140% can be considered to be within the range of moderate income and is consistent with the guideline provided by the Department of Housing and Urban Development. The Hawaii Housing Finance and Development Corporation also defines moderate income to be a household income of up to 140% of AMI. The City and County of Honolulu affordable housing rules for unilateral agreements also define “moderate income household” as a house hold whose income is greater than 80% but which does not exceed 140% of the area median income. The proposed rules amendments provide for a range of affordability and requires at least 50% of the reserved housing or workforce housing in a project to be priced at or below 120% of the AMI. The proposed rules amendments do not prevent the developer from pricing reserved housing or workforce housing at 80% of AMI or developing a rental project at 80% of AMI.
Arecia Mickens	The definition of moderate income should be consistent with HUD definition. Rental reserved housing should be for low income.	Given the high cost of living in Honolulu a household income of up to 140% can be considered to be within the range of moderate income and is consistent with the guideline provided by the Department of Housing and Urban Development. The Hawaii Housing Finance and Development Corporation also defines moderate income to be a household income of up to 140% of AMI. The City and County of Honolulu affordable housing rules for unilateral agreements also define “moderate income household” as a house hold whose

		<p>income is greater than 80% but which does not exceed 140% of the area median income. The proposed rules amendments provide for a range of affordability and requires at least 50% of the reserved housing or workforce housing in a project to be priced at or below 120% of the AMI. The proposed rules amendments do not prevent the developer from pricing reserved housing or workforce housing at 80% of AMI or developing a rental project at 80% of AMI. The proposed rule amendment does not restrict development of rental units at affordability level for “low income” households.</p>
Diane Sakai	<p>Define “moderate income” to be no more than 120% of AMI. Low and moderate income for sale units should be available for 30 years. Reserved some housing for low income households.</p>	<p>Given the high cost of living in Honolulu a household income of up to 140% can be considered to be within the range of moderate income and is consistent with the guideline provided by the Department of Housing and Urban Development. The Hawaii Housing Finance and Development Corporation also defines moderate income to be a household income of up to 140% of AMI. The City and County of Honolulu affordable housing rules for unilateral agreements also define “moderate income household” as a house hold whose income is greater than 80% but which does not exceed 140% of the area median income. The proposed rules amendments provide for a range of affordability and requires at least 50% of the reserved housing or workforce housing in a project to be priced at or below 120% of the AMI. The proposed rules amendments do not prevent the developer from pricing reserved housing or workforce housing at 80% of AMI or developing a rental project at 80% of AMI. The proposed rule amendment does not restrict development of rental units at affordability level for “low income” households.</p> <p>The proposed rules amendment provides for continuous buyback provisions for for-sale reserved and workforce housing units which will translate in long-term affordability.</p>
Ann Abeshima	<p>Define “moderate income” to be no more than 120% of AMI. Reserved housing should be reserved for households with annual income of no higher than 120% of AMI.</p>	<p>Given the high cost of living in Honolulu a household income of up to 140% can be considered to be within the range of moderate income and is consistent with the guideline provided by the Department of Housing and Urban Development. The Hawaii Housing Finance and Development Corporation also defines moderate income to be a household income of up to 140% of AMI. The City and County of Honolulu affordable housing rules for unilateral agreements also define “moderate income household” as a house hold whose income is greater than 80% but which does not exceed 140% of the area median income. The proposed rules amendments provide for a range of affordability and requires at least 50% of the reserved housing or workforce housing in a project to be priced at or below 120% of the AMI. The proposed rules amendments do not prevent the developer from pricing reserved housing or workforce housing at 80% of AMI or developing a rental project at 80% of AMI. The proposed rule amendment does not restrict development of rental units at affordability level for “low income” households.</p>
Jason Nishikawa/Marcus & Associates, Inc.	<p>Analyzing the proposed changes and listening to concerns expressed in public hearings and through the media, it is my conclusion that the HCDA’s main point of contention comes from the fact that a few buyers in 801 South Street project flipped their units for windfall profits. Therefore, HCDA feels the objective of the workforce housing rule, which is to create more affordable housing for Hawaii’s workforce and to keep it affordable in perpetuity has missed its mark. It is my fear that this over reaction is short sighted, misguided, and will have dire effects on the big picture, which is trying to solve Hawaii’s housing problem.</p>	<p>Condominium average sales price data for Oahu for the last 30 years indicates an annual appreciation of a little over 5% annually. The increase in AMI for Honolulu during the same time frame is 1.6% annually. Given these trends, the conclusion that housing units that are affordable for now will gradually become unaffordable as time goes by is not unreasonable. Resale data for 1133 Waimanu project shows that a unit in that project that sold for \$203,000 in 1996 is selling for \$588,888 in 2016. That is an appreciation of 190% in 20 years or 9.5% annually. At that rate of appreciation most units in 801 South Street project will sell for over 140% of AMI in not too distance future.</p>

Lahela Williams	HCDA's definition of low and moderate income household should be amended to be consistent with the Federal definition.	Given the high cost of living in Honolulu a household income of up to 140% can be considered to be within the range of moderate income and is consistent with the guideline provided by the Department of Housing and Urban Development. The Hawaii Housing Finance and Development Corporation also defines moderate income to be a household income of up to 140% of AMI. The City and County of Honolulu affordable housing rules for unilateral agreements also define "moderate income household" as a house hold whose income is greater than 80% but which does not exceed 140% of the area median income. The proposed rules amendments provide for a range of affordability and requires at least 50% of the reserved housing or workforce housing in a project to be priced at or below 120% of the AMI. The proposed rules amendments do not prevent the developer from pricing reserved housing or workforce housing at 80% of AMI or developing a rental project at 80% of AMI. The proposed rule amendment does not restrict development of rental units at affordability level for "low income" households.
Raymond P. Vara, Jr./ Hawaii Pacific Health	Proposed amendments to the Kakaako Reserved Housing Rules would have the unintended consequences of severely slowing or even halting the production of much needed workforce housing. HCDA should instead work towards preserving and enacting policies that encourage the production of badly needed housing for our middle class workforce.	The proposed rule amendment provides substantial incentives to the developer for producing reserved housing units. These incentives are, (a) 20% floor area bonus for providing reserved housing, (b) 100% floor area bonus for workforce housing projects, (c) no public facilities dedication fee requirement for reserved housing and workforce housing, (d) flexibility in providing off street parking and loading, (e) additional building height, (f) flexibility in yard setbacks. Additionally, the HCDA invested over \$225 million in infrastructure improvement in the Kakaako Development District to encourage development. Through the provisions of Hawaii Revised Statutes, Section 201H-38, a developer can receive exemption from permit fees and waiver from City & County and HCDA zoning requirements for affordable housing projects. Waiver of GET and property tax is also available for affordable housing projects. There are a number of incentives that are available to developers for developing affordable housing projects. Combined with the existing incentive programs, the additional incentives provided in the amendment should encourage workforce housing development.
Roxanne Hanawahine	"Moderate income" definition should be changed to 120% of AMI.	Given the high cost of living in Honolulu a household income of up to 140% can be considered to be within the range of moderate income and is consistent with the guideline provided by the Department of Housing and Urban Development. The Hawaii Housing Finance and Development Corporation also defines moderate income to be a household income of up to 140% of AMI. The City and County of Honolulu affordable housing rules for unilateral agreements also define "moderate income household" as a house hold whose income is greater than 80% but which does not exceed 140% of the area median income. The proposed rules amendments provide for a range of affordability and requires at least 50% of the reserved housing or workforce housing in a project to be priced at or below 120% of the AMI. The proposed rules amendments do not prevent the developer from pricing reserved housing or workforce housing at 80% of AMI or developing a rental project at 80% of AMI. The proposed rule amendment does not restrict development of rental units at affordability level for "low income" households.
Jeff Gilbreath/Hawaiian Community Assets	Amend "moderate income" definition to be consistent with HUD's "moderate income" definition. Rental reserved housing units should be provided for "low income" households.	Given the high cost of living in Honolulu a household income of up to 140% can be considered to be within the range of moderate income and is consistent with the guideline provided by the Department of Housing and Urban Development. The Hawaii Housing Finance and Development Corporation also defines moderate income to be a household income of up to 140% of AMI. The City and County of Honolulu affordable housing rules for unilateral agreements also define "moderate income household" as a house hold whose

		income is greater than 80% but which does not exceed 140% of the area median income. The proposed rules amendments provide for a range of affordability and requires at least 50% of the reserved housing or workforce housing in a project to be priced at or below 120% of the AMI. The proposed rules amendments do not prevent the developer from pricing reserved housing or workforce housing at 80% of AMI or developing a rental project at 80% of AMI. The proposed rule amendment does not restrict development of rental units at affordability level for “low income” households.
Louise Black	Reserved and Workforce housing asset limit for qualifying buyers should be 120% of AMI instead of 140%.	The proposed rules asset limit is 135% of AMI. Given the high cost of living in Honolulu a household income of up to 140% can be considered to be within the range of moderate income and is consistent with the guideline provided by the Department of Housing and Urban Development. The Hawaii Housing Finance and Development Corporation also defines moderate income to be a household income of up to 140% of AMI. The City and County of Honolulu affordable housing rules for unilateral agreements also define “moderate income household” as a house hold whose income is greater than 80% but which does not exceed 140% of the area median income. The proposed rules amendments provide for a range of affordability and requires at least 50% of the reserved housing or workforce housing in a project to be priced at or below 120% of the AMI. The proposed rules amendments do not prevent the developer from pricing reserved housing or workforce housing at 80% of AMI or developing a rental project at 80% of AMI. The proposed rule amendment does not restrict development of rental units at affordability level for “low income” households.
Victor Brock/Mortgage Bankers Association of Hawaii	The proposed rule would limit the term under which refinancing is restricted to 80% of the original purchase price, and since the proposed rule also requires continuous buyback, these homeowners would not be able to tap into their share of appreciated value. Recommend striking the proposed §15-218-35(d). Proposed rule § 15-218-35 (c) also discourages home improvements, repairs, and updates to housing units. Recommend that buyback price continue to be calculated based on current market value of the unit.	The intent of the provision is to protect HCDA’s shared equity in the unit which could be achieved by modifying the provision in a manner where the amount of subsequent mortgage is no more than the fair market value of the unit minus HCDA equity sharing. The intent in §14-218-41 is to include the value of owner improvements in calculating buyback price. The language if §15-218-41 will be modified to include that.
Bernard Nunies	Make “affordable housing” truly affordable by redefining “moderate income” at no higher than 120% of AMI.	Given the high cost of living in Honolulu a household income of up to 140% can be considered to be within the range of moderate income and is consistent with the guideline provided by the Department of Housing and Urban Development. The Hawaii Housing Finance and Development Corporation also defines moderate income to be a household income of up to 140% of AMI. The City and County of Honolulu affordable housing rules for unilateral agreements also define “moderate income household” as a house hold whose income is greater than 80% but which does not exceed 140% of the area median income. The proposed rules amendments provide for a range of affordability and requires at least 50% of the reserved housing or workforce housing in a project to be priced at or below 120% of the AMI. The proposed rules amendments do not prevent the developer from pricing reserved housing or workforce housing at 80% of AMI or developing a rental project at 80% of AMI. The proposed rule amendment does not restrict development of rental units at affordability level for “low income” households.
Kendyl Mitsui		Comment Noted.
Justin Tanoue	Change the rules to allow people to purchase reserved housing or workforce units if they own property in other areas but not in Hawaii. Raise the height limit to 500 or 550 feet.	The reserved housing and workforce housing rules target first time home owners because there where the need of affordable housing is. Height limit in the Kakaako Community Development District is regulated in Hawaii Revised Statutes and can only be changed by amending the statute; it can be changed by promulgating administrative rules.

Nicole Matsuo	Strongly oppose imposing additional barriers which will prevent developers from building more affordable housing units.	The proposed rule amendment provides substantial incentives to the developer for producing reserved housing units. These incentives are, (a) 20% floor area bonus for providing reserved housing, (b) 100% floor area bonus for workforce housing projects, (c) no public facilities dedication fee requirement for reserved housing and workforce housing, (d) flexibility in providing off street parking and loading, (e) additional building height, (f) flexibility in yard setbacks. Additionally, the HCDA invested over \$225 million in infrastructure improvement in the Kakaako Development District to encourage development. Through the provisions of Hawaii Revised Statutes, Section 201H-38, a developer can receive exemption from permit fees and waiver from City & County and HCDA zoning requirements for affordable housing projects. Waiver of GET and property tax is also available for affordable housing projects. There are a number of incentives that are available to developers for developing affordable housing projects. Combined with the existing incentive programs, the additional incentives provided in the amendment should encourage workforce housing development.
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