

Moses, Kuulei N

From: LouiseBlack <louise.leilehua@gmail.com>
Sent: Tuesday, September 05, 2017 12:44 PM
To: DBEDT HCDA Contact
Subject: Public Testimony Website Submission Kakaako Reserved Housing rules

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Project Name

Kakaako Reserved Housing rules

Do you support or oppose?

Oppose

Comment

Generally support rules except for maximum allowable sales price based on household income of 140% of AMI.

According to the Mayor's office, Oahu is short 24,000 units of affordable housing. 75% of the demand is for households earning less than 80% of AMI. This is a housing crisis! 140% of AMI is unrealistic and favors those who are already better off.

Don't be distracted, by glossy and fun Kaka'ako ads, from the reality of more homelessness, and more generations doubling and tripling up in single family homes. We need affordable prices that will help our residents and our children.

Moses, Kuulei N

From: DanielStevens <daniel05@hawaii.rr.com>
Sent: Tuesday, September 05, 2017 11:34 AM
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Subject: Public Testimony Website Submission Kakaako Reserved Housing rules

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Project Name

Kakaako Reserved Housing rules

Do you support or oppose?

Oppose

Comment

I generally support the changes to the reserved housing rules, but oppose the qualifying buyer income limit of 140% of AMI. 140% is unrealistic and favors the better off. Those making 140% (of AMI) EXPECT to build equity in their condo purchases and EXPECT to sell in the foreseeable future to move on to bigger and better condos.

Developers will be opposed to any decrease of 140% of AMI and the change to increase time for buy back provisions because it will affect their sales.

Moses, Kuulei N

From: EdwardSheehan <esheehan@interlockarchitects.com>
Sent: Tuesday, September 05, 2017 10:55 AM
To: DBEDT HCDA Contact
Subject: Public Testimony Website Submission Kakaako Reserved Housing rules

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Edward Sheehan

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Project Name

Kakaako Reserved Housing rules

Do you support or oppose?

Oppose

Comment

I have had the pleasure of meeting with many clients over the years who want to build (non-luxury) multi-family housing in Hawaii. Sadly, most ultimately do not see development here worthwhile and move on to mainland projects where margins are much better and the risks tend to be lower. We have very few local developers who are willing to take such high risks, and convince their investment partners to take such high risks with so little money to be made and much better opportunity on the mainland.

The fact we have any non-luxury multi-family housing developments being built speaks to the altruistic nature of our local developers. But they are not superheroes, they are not able to leap tall buildings and they certainly cannot build them if you implement these rules.

We are not an attractive place to develop multi-family housing.
Business climate, lack of infrastructure and very high construction costs all contribute to this lack of appeal.

And if no one will build what will we do?

At our current pace we will continue to have soaring rent rates and homes will continue to become further out of reach for young families. What will happen if this current pace slows? More and more families will be separated as loved ones are forced to make a new life on the mainland.

Do you really think if we implement these rules we will attract outside developers and investors?

If we implement these rules how do you think our local developers are going to convince their investors to get on board new projects?

More and more local capital is being invested in other cities across the nation where risks are lower and margins are higher. How do we compete for this capital? By making it less attractive to invest here?

We need to aggressively address the growing homeless population but let's not cut off our nose to spite our face. There are

much better ways to solve this problem. Creating another barrier to development is not an answer.

The Kakaako Reserved Housing rules are well designed for cities where profit margins are high. Implementing these rules is like having a hammer and thinking everything is a nail.

Kakaako Reserved Housing Rules do not lead in the direction of prosperity for those of us who call Oahu our home.

Moses, Kuulei N

From: KananiKaopua <kananik@hawaiianprop.com>
Sent: Tuesday, September 05, 2017 9:50 AM
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Project Name

Kakaako Reserved Housing rules

Do you support or oppose?

Oppose

Moses, Kuulei N

From: SharonMoriwaki <sharonymoriwaki@gmail.com>
Sent: Tuesday, September 05, 2017 7:22 AM
To: DBEDT HCDA Contact
Subject: Public Testimony Website Submission Kakaako Reserved Housing rules

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Project Name

Kakaako Reserved Housing rules

Comment

I support in part, oppose in part and make comments on the attached

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September 3, 2017

TO: Chair John Whalen and HCDA Members

FROM: Sharon Moriwaki, Kaka'ako Resident Owner & President, Kaka'ako United

SUBJECT: Testimony on Kaka'ako Reserved Housing Rules, HAR Title 15, Subtitle 4, Chapter 21, September 6, 2017, Public Hearing & Decision-making, 1:00 p.m.

I am Sharon Moriwaki, a resident owner at One Waterfront Towers condominium in Kaka'ako and President of Kaka'ako United, a voluntary citizens group that works to ensure a quality Kaka'ako community development district, from mauka to makai. Residents in the community have voiced concern --and I have also submitted testimony-- that the proposed reserved housing rules do not go far enough to address the need for more housing affordable to Honolulu's residents embracing a more diverse community instead of offshore wealthy investors. While we see small movement in the current amendments, we are disappointed that it does not do more for Honolulu's low- or moderate-income households.

We hope that the other Kaka'ako issues that come before the Authority will be considered from the perspective of those who live and work in the district. We appreciate the current board's support and its fair and conscientious review and decisions. We will miss small business representative Steve Scott. We hope your newly-confirmed member Philip Hasha will remain true to his statement to the Senate that he will represent small businesses in Kaka'ako and supporters of the community development district seeking a quality community --beyond luxury high rises and restaurants—with a diverse mix of residents, including low and moderate income households; commercial, light industrial, services and amenities; and parks and green open spaces from makai to mauka areas.

We support providing the board with authority to establish and collect fees for the administration of these reserved/workforce housing rules to cover identifying and tracking, reserved/workforce housing units, qualifications of purchasers and renters, and annual reporting of these units for the full regulated term. This information as well as the annual AMI pricing schedule should be easily accessible on the HCDA website for transparency and accountability to ensure the public that affordable housing is built and maintained.

Our more specific comments on the July 16, 2017 proposed rules follow:

- 1) We support the 30 year regulated term for both for sale and for rent units (15-218-35 and 15-218-43); the buyback provision that ensures the Authority receive its equity share as based on the reserved/workforce housing discounted price (15-218-35 (c) and 15-218-41(b)); requiring construction of reserved units commencing prior to the issuance of the initial certificate of occupancy (15-218-17(e)); and requiring that applicants --both buyers and renters-- physically occupy the unit for the regulated term(15-218-33(b)).
- 2) We continue to oppose the following provisions:
 - Definition of "moderate income" (15-218-5). We continue to believe that jurisdictions that define moderate income as no more than 120% AMI have been

able to develop more affordable housing for its constituents, and have previously provided data from other state and local jurisdictions. These standards are more aligned to the reality of the housing costs and incomes of their constituents. (Note: a non-substantive clerical error that should be corrected in definition of "Moderate-income household" in Section 15-218-5: "in" should be "is"

- The sale price (15-218-34(c)) and rental price (15-218-43) at the "moderate-income housing" maximum at 140% of area median income (AMI) and a "weighted average" of 120% of the AMI for the project. We believe that Hawaii's definition for "moderate-income" and sales and rental prices for units being sold as "moderate-income" reserved/workforce housing should be at no more than a maximum of 120% of the AMI for Honolulu, with reasons and models from other jurisdictions provided previously to the board.

We still believe that a much better policy to address the state's dire need for affordable housing, and even more critical in Honolulu, is to maintain the sales and rental price at a maximum of 120% of AMI.

- 3) Support and comment on administration and enforcement of the reserved/workforce housing rules. We support 15-218-48, providing the board with authority to establish and collect fees for administering the reserved and workforce housing program, so long as it is used for the purpose of administering the sale and rental of units, including developing and administering procedures to ensure consistent application of and enforcement of these rules, e.g. the physical occupancy of units for sale and for rent (15-218-17(I); the qualifications of owners and renters during the regulated term; the maximum average of all rents and sales in projects to ensure compliance with the "weighted average" requirement. In particular, we highly recommend that the Authority be required ("shall" rather than "may" in Rule 15-218-17(i)) to explicitly require physical occupancy of qualified persons either for sale or for rent and for the entire 30-year regulated term. We saw the laxity with which the former Authority and staff allowed owners/residents in the 801 South Street workforce housing project to sell and rent units to people far above the income requirement and/or to owners not physically occupying the units. These fees should be used for tracking and monitoring all units identified as reserved and workforce housing.

Mahalo for the opportunity to once testify in consideration of the affordable housing needs of our residents.

Moses, Kuulei N

From: ClaraMorikawa <clamor808@yahoo.com>
Sent: Monday, September 04, 2017 4:05 PM
To: DBEDT HCDA Contact
Subject: Public Testimony Website Submission Kakaako Reserved Housing rules

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Project Name

Kakaako Reserved Housing rules

Do you support or oppose?

Oppose

Comment

In making your decision, please consider the following:

- 1- Reserved housing are for people with moderate income. To make housing affordable and to align with the City's rule, the ceiling should be reduced from 140% to 120% of AMI.
- 2- Affordable rental rates should be set for 30 years rather than the current 15 years.
- 3- The purchaser of the unit must occupy the unit; it is not for investment nor for profit making in a quick resale.
- 4- Reserved housing units should be sold back to HCDA. This buy back provision and equity sharing will keep the unit affordable and in a pool.

Moses, Kuulei N

From: LariBloom <lbloom@zelinskyco.com>
Sent: Saturday, September 02, 2017 3:45 PM
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Project Name

Kakaako Reserved Housing rules

Do you support or oppose?

Oppose

Comment

We need more affordable housing for our local residents!

Moses, Kuulei N

From: DerekLock <dlock@hawaii.biz>
Sent: Friday, September 01, 2017 4:22 PM
To: DBEDT HCDA Contact
Subject: Public Testimony Website Submission Kakaako Reserved Housing rules

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Project Name

Kakaako Reserved Housing rules

Do you support or oppose?

Oppose

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- [HCDA-Testimony-9-1-17.pdf](#)

September 1, 2017

Aloha Chair Whalen,

We are a broad coalition that has come together for a single purpose: produce more affordable housing for local families. Our members represent key stakeholder groups in Kakaako, and we applaud HCDA's efforts to increase the production of homes for Oahu's residents.

However, we oppose the direction HCDA's Board has taken in amending its Reserved Housing Rules. We believe these changes will obstruct the development of housing for young workers and middle-income families, creating unintended results that will negatively affect Kakaako and its community members.

By imposing more restrictive price and rent controls pertaining to the development of a significant portion of property in Kakaako, the residential development process will become more burdensome and costly, the housing supply will tighten, and home prices will rise. These restrictions come at a time when the building cycle has already slowed, and the proposed rules changes will intensify -- not alleviate -- our current housing crisis.

Over the past months, HCDA has received overwhelming testimony in opposition to the proposed rules amendments from local real estate industry experts, business leaders, community groups, the construction industry, landowners, developers, and Kakaako residents from all walks of life. They have all advised and warned HCDA about the potential detrimental effects of the proposed rules changes. Oahu currently has a housing shortage of 26,000 units. Why place further restrictions and obstacles upon residential development in Kakaako, the only urban redevelopment community on Oahu?

We acknowledge that HCDA faces a challenging task in tackling the important and impactful matter of increasing the supply of affordable housing in Kakaako. But the restrictive policies currently being proposed run counter to that goal and would only lead to the end result of fewer affordable homes for Oahu's residents.

Mahalo for listening,

Arnold Martines, Central Pacific Bank

Tony Mizuno, Bank of Hawaii

Brian Uemori, Bank of Hawaii

Scott Cody, Hawaiian Dredging Construction Co

Gerry Majkut, Hawaiian Dredging Construction Co

Christine Camp, Avalon Development

Stanford Carr, Stanford Carr Development

Daniel Cody, MW Group

Chris Deuchar, Form Partners

Ryan Harada, Downtown Capital LLC

Casey Ching, Servco Pacific

Lisa Eveleth, Limit, LLC

Jay Kam, Ililani LLC

Carol Lam, Servco Pacific

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Alicia Moy, Hawaii Gas

Ryan Tanaka, Waterhouse

Linda Wong, Carlinc Limited Partnership

Anders Hostalley, Honolulu Homeloans

Jason Nishikawa, Marcus & Associates

Bruce Nakaoka, Queen Emma Land

Kris Hui, Oliver Mcmillan

Scott Kuioka, Island Insurance

Derek Lock, Downtown Capital LLC

Colbert Matsumoto, Island Insurance

Christopher Oakes, Stanford Carr Development

Matt Pennaz, Kobayashi Group

Brooke Wilson, Carpenters Union

Chris Delaunay, Pacific Resource Partnership

Dean Hirabayashi, American Savings Bank

Dale Nishikawa, Marcus & Associates

Henry Chang, Ililani Development

Kent Walther, Tradewind Capital Group

Ricky Cassiday, Mary Lucas Trust

Brad Nicolai, JN Group

Blair Suzuki, Oliver Mcmillan

Linda Schatz, Schatz Collaborative

Will Crowley, MidPacific Advisors

Scott Nahme, Central Pacific Bank

Scott Settle, Settle Meyer Law