

Soares, Tommilyn

From: Darren <dktakiue@gmail.com>
Sent: Saturday, May 30, 2020 11:57 AM
To: DBEDT HCDA Contact
Subject: [EXTERNAL] Testimony for June 3 HCDA meeting

Aloha,

I am writing in support of item #3 on the agenda to authorize the Interim Executive Director to Temporarily Increase the Maximum Allowable Refinancing Limit for Reserved Housing Units Governed by the 2005 and 2011 Reserved Housing Rules.

I was fortunate enough to get a unit in the Ke Kilhohana building in Kakaako. However, after less than a year the maintenance fees have increased over 50%. This along with the struggling economy due to the COVID pandemic have forced many of us to to tighten our budget and find ways to pay the bills.

I have recently looked into refinancing my mortgage. I was hoping to include my closing costs as part of the loan as I could not afford to pay the costs upfront. However, I was told this would not be possible due to HCDA maximum allowable refinancing limits. Please approve the interim director the authority to raise the refinancing limits. This would greatly help during this tough economic time. Mahalo.

Darren Takiue

Soares, Tommilyn

From: Tod Gushiken <tod.gushiken@gmail.com>
Sent: Tuesday, June 2, 2020 11:53 AM
To: DBEDT HCDA Contact
Subject: [EXTERNAL] HCDA June 3, 2020 Meeting Testimony
Attachments: HCDA Testimony 6.3.2020 Meeting.pdf

Aloha,

Please find the attached testimony in support of HCDA adopting a temporary increase to the maximum allowable refinancing limit for reserved housing units.

Thank you,
Tod Gushiken
Board President of AOOU of 988 Halekauwila



KE KILOHANA

TESTIMONY – AGENDA ITEM II.3

Hawaii Community Development Authority Regular Meeting
Wednesday, June 3, 2020
10:00 a.m.
Virtual Meeting

Chairperson Whalen and Members of the Hawai‘i Community Development Authority,

On behalf of the Association of Unit Owners of 988 Halekauwila (“the AOUO”), I would like to thank the Hawai‘i Community Development Authority (“HCDA”) for considering our request for relief. The AOUO asks that the Board to adopt a broad policy, as recommended by the Hawai‘i Community Development Authority (“HCDA”) Staff Report on Agenda Item II.3, that would increase the maximum allowable refinancing limit for Reserved Housing units to 95% of the original purchase price, without need for conducting a case-by-case analysis of each request. This policy would give homeowners much needed assistance with a challenging financial situation.

88.4% of the Project’s homeowners purchased units designated as reserved housing. To buy these units, our homeowners had to meet certain income requirements.

Even before the economic crisis sparked by public health measures enacted to prevent the deadly spread of COVID-19, homeowners at Ke Kilohana were reeling from skyrocketing monthly maintenance fees. These maintenance fees had to be increased to address gross budget shortfalls that were discovered after Howard Hughes Corporation (“Howard Hughes”), 988 Halekauwila, LLC, and Victoria Ward, Limited (“Victoria”) and their sister companies (collectively “the developers”) turned control of the management of the project over to the residential board of directors in August 2019. The steep increase in monthly maintenance fees – 50% hikes across all units – had homeowners racing to take on second jobs to make ends meet.

Now, the opportunities to seek additional income have largely dried up as our state faces staggering unemployment rates, the highest in the nation. Moreover, homeowners face looming threats to their primary source of income, through job loss, furloughs and salary cuts. The need for relief from the HCDA is greater than ever.

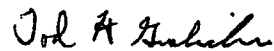
A glimmer of hope lies for those who could qualify for a refinanced mortgage at today’s historically low rates, but for HCDA’s current policy of declining to approve requests to refinance the owner’s primary mortgage if and only if, the mortgage does not exceed 80 percent of the original purchase price. Under this current requirement, homeowners who made a 10% down payment on their reserved housing units cannot refinance to obtain a lower mortgage rate. Furthermore, those homeowners who do not have cash on-hand to pay for the closing costs of the refinanced loan are presently shut out from refinancing their mortgages. If the Staff Report’s recommendations are adopted, then Ke Kilohana homeowners could avail themselves of

the chance to obtain a mortgage rate that is more than one percent lower than the rates available when they bought their homes last year.

Without intervention from the HCDA, the Authority's effort to provide affordable housing in Kaka'ako will be doomed before it even really started. It was only a year ago that most of the reserved housing unit owners purchased their homes at Ke Kilohana.

For these reasons, the AOOU asks that the HCDA adopt the Staff Report's recommendation, thereby expediting the review process for requests for refinancing approvals submitted by Ke Kilohana homeowners and eliminating an insurmountable barrier to refinancing these homes.

Very truly yours,



Tod Gushiken

Board President of AOOU of 988 Halekauwila