



HAWAII COMMUNITY  
DEVELOPMENT AUTHORITY



KAKAAKO  
KALAELOA

Linda Lingle  
Governor

Jonathan W. Y. Lai  
Chairperson

Anthony J. H. Ching  
Executive Director

677 Ala Moana Boulevard  
Suite 1001  
Honolulu, Hawaii  
96813

Telephone  
(808) 587-2870

Facsimile  
(808) 587-8150

E-Mail  
contact@hcdaweb.org

Web site  
[www.hcdaweb.org](http://www.hcdaweb.org)

LATE

AMENDED  
2/22/08, 9:00 AM

WRITTEN STATEMENT OF

ANTHONY J. H. CHING, EXECUTIVE DIRECTOR  
HAWAII COMMUNITY DEVELOPMENT AUTHORITY

BEFORE THE

SENATE COMMITTEE ON WAYS AND MEANS

Friday, February 22, 2008

11:00 A.M.

State Capitol, Conference Room 211

**S. B. 2294, S. D. 1 - RELATING TO KAKAAKO.**

**Purpose:** Increases the reserved housing requirement for a development with a height greater than forty-five feet or a floor area that equals or exceeds 1.5 times the lot area in the Kakaako Community Development District Mauka Area to at least twenty-five percent of the total floor area, except that space which is developed for community or special facility use. Also provides that the reserved housing requirement is constructed on or before the market project and deletes the fee alternative to producing the reserved housing.

**Position:** The Hawaii Community Development Authority (HCDA) agrees that there is a severe lack of inventory of affordable housing units in Honolulu; however, the Authority is opposed the passage of this measure in its current form. This opposition is based on the following reasons.

**Application of the reserved housing requirement to commercial projects which otherwise do not propose to include any housing units with a floor area which greater than 1.5 times the lot area (or 1.5 FAR) or a height of 45 feet is problematic and contrary to rules being promulgated by the HCDA.** The design of a commercial development is considerably different from that of a housing development.

The floor plates for a commercial development and a housing project are not necessarily compatible with each other and introduces the prospect of developing separate towers or footprints for the commercial and residential aspects of the project. This raises the specter of significantly higher development cost and requirement for land which might not be readily available. This would render most, if not all commercial projects to be cost prohibitive and would have to be abandoned. This flawed proposal must be deleted from the proposal.

**A Disincentive for Redevelopment in Kakaako.** It is important to note that the HCDA is currently proposing to increase the base zoning specifications for Kakaako for building heights from 45 to 65 feet and FAR from 1.5 to 3.5. These increases are being proposed to allow small lot developers greater economies and the opportunity to *increase* the density of their projects. The experience in Kakaako tells us that the existing base zoning specifications does not provide sufficient economies to support redevelopment. The proposed exemption for projects with a height of 45 feet or 1.5 FAR would actually serve as a disincentive for small or larger lot owners to develop more dense projects in Kakaako.

**Definition of Planned Development.** Page 2 lines 5 – 13, page 5 lines 10 – 14, page 7 lines 16 – 19 and page 17 lines 12 – 14 of the proposal also introduces a definition or description for “planned development” which is inconsistent with existing and proposed rules. Sections 7 through 9 also refers to “planned development permit application”. These references would appear to have been connected with an earlier version of S.B. 2294 and should be deleted or reconstructed as they conflict with the current draft and the HCDA’s proposed rule changes involving the planned development permit process.

**Mechanism to Transfer Excess Housing Credits in Kakaako.** While page 8 lines 9 – 13 establishes an incentive to transfer excess housing units to

another project in Kakaako via an exchange of cash excess, the HCDA believes that greater analysis needs to be undertaken before considering this matter further as this proposal has county, if not statewide implications.

Thank you for the opportunity to provide these written comments and objections.



**WRITTEN TESTIMONY BEFORE THE SENATE COMMITTEE  
ON  
WAYS AND MEANS**

**HOUSE BILL 2294 SD 1  
BY  
STEVEN GOLDEN**

**LATE**

**FRIDAY, FEBRUARY 22, 2008**

Chair Baker and members of the Committees:

I am Steve Golden, Vice President of External Affairs for The Gas Company. Thank you for the opportunity to provide testimony on Senate Bill 2294 SD 1, relating to Kakaako.

The Gas Company owns and occupies a plot of land of approximately 2 acres with a roadway lot of a little less than 1 acre located at 515 Kamakee Street in the Kakaako mauka area. This site has been our major gas operations facility site for our utility system since 1936. As you are all aware, our part of Kakaako has changed from primarily a light industrial area to more of a residential area in recent years.

This bill would, among other things, require developers of planned developments, with a height greater than 45 feet or a floor area that equals or exceeds 1.5 times the lot area for such development located in Kakaako mauka, to reserve at least 25% of the countable floor area for low income housing. Alternatively, the developer may make a cash payment to the Hawaii Community Development Authority (HCDA.)

As a kama'aina company in its second century of providing gas energy solutions to the people and businesses of Hawaii, we are well aware of the severe lack of affordable housing in our community. However, The Gas Company opposes this bill for several reasons.

First, we believe that the additional reserved housing conditions on planned development proposed, in this bill, will negatively impact all of our utility customers. Our property is a utility asset, which means that it is held for the benefit of our ratepayers. This means that this legislation, which requires that 25% of any planned redevelopment of our property be used for reserved housing, affects not one property owner, but all of our over 35,000 utility customers.

Second, HCDA already has initiated its planning process for the area, which comprehensively considers parks, transportation, land use and an overall urban design, including reserved housing. We believe that if any changes are to be considered they are more appropriately addressed comprehensively in HCDA's plans and processes rather than through legislation.

Thank you for allowing The Gas Company to present these comments.

Tony Au  
1212 Nuuanu Avenue #2808  
Honolulu, HI 96817  
(808) 781-5588

February 22, 2008

LATE

Senator Rosalyn Baker  
Chair Ways and Means Committee  
Hawaii State Capitol  
415 South Beretania Street, Room 210  
Honolulu, HI 96813

Re: Testimony in Support of Senate Bill 2294

Dear Senator Baker:

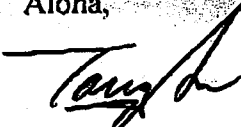
I support this bill as I believe it is important to provide affordable housing for the residents of our state.

I was born and raised here in Hawaii and am personally thankful that I was given the opportunity to purchase an affordable housing unit as my first home. Without that opportunity, it would have been difficult for me to have achieved home ownership at that time. In addition, if I had not been able to purchase a home of my own, the decision to move out of state was unfortunately an alternative I had to consider.

Providing more affordable housing to residents in Hawaii will ensure the future of our state as many more will be able to stay here versus having to relocate to areas with a lower cost of living.

Having been in the real estate industry for over 18 years, I have seen the benefits these properties provide and how far it extends into the overall economy and the foundation to build Hawaii's future. With the substantial rise in home prices over the past several years combined with the struggling mortgage industry and national economy, now more than ever, it is much more important to provide an affordable alternative to our residents. This in turn will lay the foundation for a sustainable Hawaii.

Aloha,



Tony Au