

# LATE TESTIMONY

March 12, 2008

**Representative Maile Shimabukuro**

Chair

Committee on Human Services and Housing

**Representative Ken Ito**

Chair

Committee on Land, Water, Ocean Resources and Hawaiian Affairs

Sent via email: [hshtestimony@capitol.hawaii.gov](mailto:hshtestimony@capitol.hawaii.gov)

Re: **SB 2294 SD2 Relating to Kakaako (In Support)**

Hearing Date: March 13, 2008

Dear Chairs Shimabukuro and Ito:

I am Tom Zimmerman, President of Central Pacific HomeLoans, Inc., testifying in support of SB 2294, SD 2 as a lifetime mortgage banker and a concerned citizen.

Like its companion bill, HB 2732, HD 1, this bill will encourage development of much needed workforce housing by the private sector without the requirement of government subsidies. The lack of affordable housing for the members of our workforce is a growing problem. Employees that cannot find an affordable place to live are forced to move to the mainland and that hurts all local businesses and our overall economy.

Kakaako Mauka can accommodate the development of such workforce housing. It has the roads and sewer capacity, and is close to urban employment centers. In fact it is the only neighborhood in Honolulu that has the adequate infrastructure to enable affordable vertical housing. With its proximity to retail shopping, restaurants, entertainment, and parks; Kakaako can fulfill the original vision as a livable urban community.

Thank you for your consideration off this bill and for the opportunity to submit testimony.

Sincerely,

Tom Zimmerman

President

Email: [tzimmerman@cp-homeloans.com](mailto:tzimmerman@cp-homeloans.com)



# SERVCO PACIFIC INC.

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To: Representative Ken Ito, Chair  
House Committee on Water, Land, Ocean Resources & Hawaiian Affairs

Representative Maile Shimabukuro, Chair  
House Committee on Human Services & Housing

State Capitol, Conference Room 329  
Honolulu, Honolulu 96813

From: Carol K. Lam  
Senior Vice President  
Servco Pacific Inc.  
2850 Pukoloa Street, Suite 300  
Honolulu, Hawaii 96819

Hearing Date: Thursday, March 13, 2008; 9:00 a.m.

In Opposition to SB 2294 SD2, Relating To Kakaako

On behalf of Servco Pacific Inc. ("*Servco*"), I submit the following comments in opposition to the adoption of SB 2294 SD2 (the "*Bill*").

The lack of affordable housing is an important issue that needs to be addressed. As a third-generation family company, we are committed to working with government housing agencies to encourage the development of more affordable housing. As an owner of property located within the Kaka'ako Redevelopment District, Servco supports a rational, reasonable, balanced, and fair reserved or affordable housing condition to the development of residential lands in the State of Hawaii. But this proposed Bill does not facilitate the development of reserved housing in Kakaako. Rather, it puts a burden on the private landowners in the Kaka'ako Redevelopment District, and could potentially stop ongoing redevelopment efforts in the area. This is contrary to the State's long term goal of fostering redevelopment, and providing an appropriate reserved or affordable housing component into the Kaka'ako District.

The Hawaii Community Development Authority ("*HCDA*") created by the Legislature to govern development within the Kakaako Redevelopment District current requires 20% of the total residential units in a multi-family planned development to be reserved housing units. Even meeting this 20% requirement remains challenging for developers particularly in today's economy. By increasing this requirement, the Legislature could potentially be reducing the number of new residential projects which will in turn reduce the number of reserved housing units being built in Kakaako.

Another major concern is with the application of the affordable housing requirement for commercial, industrial and resort projects. Such a requirement would make it extremely difficult financially for a project to pencil and will basically result in no new commercial and industrial

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developments being built in Kakaako. This will again work against the goals of redevelopment in Kakaako.

We believe that these issues and the means of addressing them in the current Hawaii marketplace must be more thoroughly examined and the options and alternatives critically tested in the real world. In Servco's view it will require a fair and equitable contribution from many different stakeholders involved with this problem -- the landowners, the housing developers, construction lenders, contractors, government, and the public. It is unfair to burden one group or side with the cost and burden of solving this problem. Unfortunately that is exactly what the current Bill would do.

Thank you for allowing us to share our concerns about this Bill with you.