



HAWAII COMMUNITY  
DEVELOPMENT AUTHORITY



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KALAELOA

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STATEMENT OF

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

BEFORE THE

HOUSE COMMITTEE ON WATER, LAND, OCEAN RESOURCES &  
HAWAIIAN AFFAIRS

Monday, March 10, 2008

9:00 A.M.

State Capitol, Conference Room 312

**S. B. 2982 - AUTHORIZING THE RESALE OF RESERVED  
HOUSING UNITS BY THE HAWAII COMMUNITY  
DEVELOPMENT AUTHORITY.**

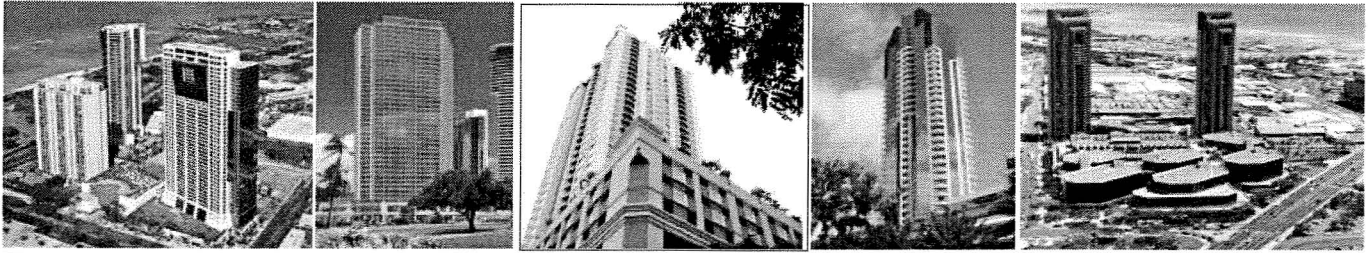
**Purpose:** S. B. 2982 is an Administration proposal submitted by the Hawaii Community Development Authority (HCDA) which allows the HCDA to sell a fee simple interest in newly developed reserved housing units and/or administer buyback provisions and resell reserved housing units located within the Kakaako Community Development District (Kakaako) in accordance with applicable sections of the HCDA Administrative Rules.

**Position:** The HCDA strongly supports the passage of this Administration proposal. Act 317, Session Laws of Hawaii 2006, prohibits, with certain exceptions, HCDA from transferring a fee simple interest in lands it holds title to in its corporate capacity within Kakaako. This change in HCDA's enabling statute prohibits, among other things, the Authority from selling newly developed reserved housing units developed within the Kakaako Community Development District and/or exercising buyback provisions under its reserved housing rules and then reselling the units to qualified buyers. The HCDA reserved housing program

targets Hawaii residents who: (1) earn 140 percent or less of median income, (2) have not owned real property as a principal residence for the prior three years, and (3) desire to be owner-occupants, among other requirements. The buyback restrictions are designed to prevent “windfall” profits from purchasers of these units, by first offering the unit to HCDA, who in turn can choose to purchase the unit and then resell the unit to another qualified reserved housing buyer.

The development and provision of reserved housing units is a critical element of HCDA’s mission and we are proud to have been a part of the development of 1,388 reserved housing units in Kakaako over the past thirty years. Passage of this measure will allow HCDA to continue to offer fee simple reserved housing units to qualified Hawaii residents who may not otherwise become homeowners.

We urge you to move this bill forward. Thank you for the opportunity to testify in support of this administrative proposal.



**Hawaii Community Development Authority Planned Development & Reserved Housing Projects Since 1982**

| Year Permitted | COMPLETED PROJECTS                                              | Total Units  | Market Units | 20% Units Required | Units Provided | Cash-in-Lieu       |
|----------------|-----------------------------------------------------------------|--------------|--------------|--------------------|----------------|--------------------|
| 1984           | One Waterfront Towers                                           | 307          | 307          | 62                 | 0              | \$2,427,379        |
| 1984           | Royal Capitol Plaza                                             | 297          | 269          | 59                 | 28             | \$399,310          |
| 1984           | Nauru Development <small>(Total units for Phases I-III)</small> | 1,373        |              | 275                | 282            | 0                  |
|                | Phase I: Nauru                                                  |              | 304          |                    |                |                    |
|                | Phase II: Hawaiki                                               |              | 417          |                    |                |                    |
|                | Phase III: Ko'olani                                             |              | 370          |                    |                |                    |
|                | Phase IV: unnamed                                               |              | TBD          |                    |                |                    |
| 1989           | Imperial Plaza                                                  | 221          | 221          | 44                 | 0              | \$2,539,349        |
| 1995           | One Archer Lane                                                 | 331          | 331          | 66                 | 0              | \$1,183,778        |
| 2002           | Hokua                                                           | 248          | 248          | 50                 | Waiver         |                    |
|                | <b>SUB-TOTAL</b>                                                | <b>2,777</b> | <b>2,467</b> | <b>556</b>         | <b>310</b>     | <b>\$6,549,816</b> |

| Year Permitted | FUTURE PROJECTS  | Total Units  | Market Units | 20% Units Required | Units Provided | Cash-in-Lieu       |
|----------------|------------------|--------------|--------------|--------------------|----------------|--------------------|
| 2003           | Moana Pacific    | 706          | 706          | 141                | Waiver         |                    |
| 2005           | 909 Kapiolani    | 227          | 227          | 45                 | Waiver         |                    |
| 2005           | Keola La'i       | 352          | 289          | 70                 | 63             | \$1,194,560        |
| 2005           | Moana Vista      | 520          | 396          | 104                | 124            | 0                  |
|                | <b>SUB-TOTAL</b> | <b>1,805</b> | <b>1,622</b> | <b>360</b>         | <b>187</b>     | <b>\$1,194,560</b> |

| Year Permitted | STATE DEVELOPED RESERVED & RENTAL HOUSING PROJECTS                  | Total Units  | Rental     | For Sale  | Reserved Housing Funds Used <small>(public facilities funds &amp; lands also utilized, these funds not included below)</small> |
|----------------|---------------------------------------------------------------------|--------------|------------|-----------|--------------------------------------------------------------------------------------------------------------------------------|
| 1989           | Kamake'e Vista - HCDCH                                              | 227          | 227        | 0         | \$2,702,178                                                                                                                    |
| 1989           | Pohulani (Elderly) - HCDCH                                          | 263          | 263        | 0         | \$2,002,043                                                                                                                    |
| 1991           | Kauhale Kaka'ako - HCDCH                                            | 268          | 268        | 0         | \$850,000                                                                                                                      |
| 1991           | Na Lei Hulu Kupuna (HCDA Elderly Rental)                            | 76           | 76         | 0         | \$44,575                                                                                                                       |
| 1993           | Honuakaha Housing Complex (HCDA combined fee sale & elderly rental) | 244          | 151        | 93        | \$765,998                                                                                                                      |
|                | <b>SUB-TOTAL</b>                                                    | <b>1,078</b> | <b>985</b> | <b>93</b> | <b>\$6,364,794</b>                                                                                                             |



-----Original Message-----

From: Marvin Heskett [mailto:mhesketts@mac.com]  
Sent: Saturday, March 08, 2008 5:12 PM  
To: WLHtestimony  
Cc: Scott Werny  
Subject: Testimony for SB2982, WLH HSH FIN SB2423, SD2

Marvin Heskett, Co-Chairperson Oahu Chapter Surfrider Foundation

COMMITTEE ON WATER, LAND, OCEAN RESOURCES & HAWAIIAN AFFAIRS  
Rep. Ken Ito, Chair  
Rep. Jon Riki Karamatsu, Vice Chair

DATE:  
Monday, March 10, 2008  
TIME:  
9:00 a.m.

SB 2982  
(SSCR2297)  
AUTHORIZING THE RESALE OF RESERVED HOUSING UNITS BY THE HAWAII  
COMMUNITY DEVELOPMENT AUTHORITY.  
Allows the Hawaii Community Development Authority to resell reserved  
housing  
units as defined in section 206E-101, Hawaii Revised Statutes.

WLH, HSH, FIN  
SB 2423, SD2  
(SSCR2749)

Aloha Honorable Representative,

I appreciate your spending time to consider this written request. I am writing first as a father living in downtown Honolulu. From this perspective I see the value of wild space. When I see my nearly 3 year old son light up and come to life when he steps into the natural world, away from concrete, I know that I have done something good for him and his development. All people, when they find a place of natural beauty and serenity respond with a sense of relief and gratitude. It is only natural in our high speed and developed lifestyles to need to return to nature periodically. As my son develops, I want him to have these special wild places to return to and bring his own child to enjoy the way he was able. The North Shore of Oahu is one of these special places and you have been given the wonderful opportunity to try, while representing us, to preserve it.

I am writing also as a surfer and an environmental advocate. This area of Oahu is one of the finest places on the entire planet to observe waves in their splendor. It is a truly unique place where two of Nature's most beautiful and spectacular forces meet to produce a show seldomly seen anywhere else. It is a world resource and should be guarded by it's inhabitants with fierce loyalty. Keeping this place a special and beautiful place will help Oahu remain a destination for all of the planet's tourists, seeking an escape from overcrowded and over developed locations everywhere else. We owe it to ourselves as well as surfers, travelers, photographers and anyone seeking a chance to get away and enjoy the world as it is in its raw form.

Please do anything you can in your power to help preserve Kawela Bay and its surrounding environs. Take a small amount of your personal time to make a profound and lasting effect that you can be proud of.

Thank You,

Marvin Heskett  
Co-Chair Surfrider Foundation Oahu Chapter